





## EUROPEAN NEWS

## Mexico's President in Spain

By Tom Burns in Madrid

MEXICO's President Miguel de la Madrid arrived in Spain yesterday on the first leg of a European tour that includes Belgium, France, West Germany and Britain.

He arrived at Seville and travels to Madrid today to begin a five-day official trip which will focus strongly on increased commercial links and the feasibility of Mexican-Spanish joint ventures.

Aside from several rounds of talks with Prime Minister Felipe Gonzalez and King Juan Carlos, President de la Madrid will meet business and banking leaders in Madrid and Barcelona.

A key intention of the visit to Spain and the remainder of the tour is to signal the recovery of the Mexican economy. Spanish exports to Mexico, which peaked at \$513m in 1981, had slumped to \$123m by 1983 and were down again last year.

Spain is the second largest importer of Mexican oil and Mexico's petrol-based exports to Spain run close to \$2bn annually.

Once the more mature joint venture projects concerning the Spanish aerospace company Casa which is bidding for an agreement to build 10 units of its Aviojet C-212 adapted for coastal patrol use by the Mexican navy.

David Barchard examines Ankara's feelings towards the European Community

## Impasse in Turkish-EEC relations

LAST MONTH the European Community staged an exhibition in the Turkish city of Van, 800 miles east of Ankara and only 30 miles from the Turkish-Iranian frontier. The aim was to explain the EEC and its working to ordinary Turks. Brussels has been engaged in this kind of activity, including inviting officials from Ankara to visit the Berlaymont, for some time. However, the impasse in Turkish-EEC relations shows no sign of lifting.

In theory, Turkey should only have another 10 years to go before it completes a transitional phase started in 1973 and aimed at a full customs union: at that point it would presumably have become eligible to apply for full membership.

In practice, however, the 20-year-old association agreement which, unlike the association agreements of the south Mediterranean countries, specifically aims at eventual full Turkish membership of the EEC, has run on to the end. The organs of the association, its joint committees at ministerial and parliamentary level, have not met for five years.

Turkey stopped making tariff cuts in 1977. The Community is unable to honour an undertaking made more than 10 years ago to allow the free migration of Turkish workers inside its member countries from 1980.

The larger issues remain unresolved, while short-term disputes simmer. Turkey wants more access

to EEC markets for its textiles. It resents a 3½ year ban on Community aid under the fourth financial protocol, imposed in 1981 because of concern at Turkey's human rights record under the military administration.

Greek accession has brought some additional problems with Community minimum import prices being applied to what were traditional Turkish exports to Europe, such as figs and bananas.

The question overshadowing all these short-term difficulties, however, is whether or not Turkey should make an application for full membership of the EEC.

In 1980, five years after the Greeks applied for full membership, Turkey's last civilian government announced it would apply that year, but the army takeover of September that year forestalled the move.

All subsequent Turkish governments have been committed to the idea of an application in the fairly near future. Mr Turgut Ozal, the Prime Minister (suspected by his critics for facing eastwards to the Islamic world rather than westwards to Europe) has spoken of a possible "surprise application" and has sometimes seemed to regard the matter as a diplomatic game of nerves.

According to officials, however, Turkey is expected to apply within the period of the present five-year plan, which ends in 1990. There are

known to be regular high-level discussions over whether or not the application should be made, but the spirit of all these discussions is fairly clear. Turkey is not in a European mood for trade. It is looking to markets in the Middle East, Africa and Asia; for defence it is aligning itself more closely with the U.S.; in culture, it is looking increasingly to its Ottoman and Islamic past.

Some officials believe that an application at the moment, particularly while the EEC is struggling to adapt to the Spanish and Portuguese enlargement, would be premature.

"We may be naive but we are not stupid," says one official. "If we cannot get the basic elements of the association agreement to work, why should we make an application for full membership?" He believes that Turkish membership is unlikely before the turn of the century. "We should knock on the door when we can stand tall."

Pride over symbolic issues remains an important strand in the troubled relationship. European criticism, particularly in the European Parliament, over allegations of torture (firmly denied by the Minister of the Interior) and such controversial court cases as the jailing of peace activists, is bitterly resented.

In this atmosphere of mutual recrimination, day-to-day diplomacy between Turkey and the EEC is conducted in a chilly spirit. The Community maintains an informa-

tion office in Ankara which has taken some of the sting out of the strong "Turkish anti-market" lobby which existed in the 1980s and 1970s.

Instead, the Community has to contend with Istanbul businessmen who are in favour of Turkish entry at the earliest possible moment as well as a resentful government. A top EEC official who recently visited Turkey is said to have been struck by what he regarded as the gap between Turkish perceptions of the Community and the realities of the Berlaymont.

The most thankless diplomatic job in Ankara remains that of the head of the EEC office there: it is currently held by a former Labour Party politician, Mr Gwyn Morgan, who does not lead an easy life.

One particular difficulty is that the Turks tend to view the Community in terms of their undoubted strategic importance to the Western Alliance. EEC insistence that "the Community is not a defence community" is met with total incomprehension or scepticism.

That casts a light on the original motivation behind the 1964 Treaty of Ankara which set up the Association Agreement. Discreet behind-the-scenes pressure from the U.S. (which has never been eager to see its relations with Turkey become too overtly bilateral) was responsible for the original idea of full membership.

It was eagerly adopted by the el-

der generation of Turkish diplomats, who were and are still eager to lead Turkey as far and firmly as possible into the Western European community of nations.

The U.S. apparently has not entirely relinquished the idea of full Turkish membership.

Economists, however, remain troubled by the idea of a customs union between Turkey and the Community. "When you get a customs union between a semi-industrialised country and one or more advanced industrial economies, the usual effect is that the less developed economy starts to deindustrialise," says one American economist. "That is precisely the fear that lay behind often obsessive hostility towards the Community in Turkey among the political extremes a decade ago."

Everyone agrees that the immediate way to move forward is to unblock the \$630m owing under the fourth financial protocol.

The aid is expected to be unblocked some time in 1986 - though exactly when will depend partly on the political balance between conservatives and socialists in Europe, and partly on Turkey's perceived progress in its transition towards full parliamentary democracy.

But real progress in the relationship may have to wait until after the next Turkish elections (due in 1988) produce a parliament in which the major opposition parties are represented.

## Craxi threatens to quit if wage poll goes against him

By James Buxton in Rome

SIG BETTINO CRAXI, the Italian Prime Minister, said yesterday that he would resign "one minute later" if the vote in this weekend's referendum on wage indexation goes against his Government's policy.

Nearly 45m Italians are to be asked whether they want four points cut last year from the scale mobile wage indexation mechanism to be restored thus triggering pay rises of up to 1.57.200 (\$11) a month for wage-earners covered by the system.

The referendum was promoted by the opposition Communist Party after it failed last year to stop the Craxi Government from making the temporary cut in the index as an anti-inflation measure.

Sig Craxi's decision to link the fate of his Government to the outcome of the referendum runs counter to the attitude towards the referendum adopted by his five-party coalition. The Christian Democrats have given the impression that the referendum outcome does not matter very much.

While the Communist party is campaigning hard for a vote of "Yes" to the virtually un-

intelligible 200-word question which voters are being asked to respond to, the campaign for a "No" vote has been thin. By threatening to resign, Sig Craxi may actually reinforce his position vis-à-vis his coalition partners whatever the outcome. If the "No" vote prevails he can claim most of the credit for the victory; if the "Yes" vote wins he can blame his allies for letting him down and require them to give him stronger support in a new Government. Whether his threat will have any effect on the voter remains to be seen.

At a news conference in Rome yesterday the Prime Minister exuded considerable confidence that the "No" vote would be victorious. He refused to be drawn on what might happen next if he did have to resign.

Sig Craxi warned yesterday that the outcome of a "Yes" vote would be a boost to inflation. Confindustria, the private employers' association, says it will in any case only pay wage increases in respect of two of the four points that would be restored, and will formally abandon the scale mobile altogether next year.

## 'Dynamite' proves a damp squib

By Hilary Barnes in Copenhagen

THE POWER of trade union money to bring down Denmark's non-Socialist coalition Government was put to the test yesterday.

The Special Workers Union of unskilled workers has allocated Dkr 180m (£12.8m) to an anti-Government campaign, an unheard-of sum in Danish political terms and equal to 30 times the budget for Prime Minister Poul Schlüter's Conservative Party.

The union campaign is the result of the Government's statutory incomes policy imposed in March which is designed to hold the increase in wages to about 2 per cent a year over the coming two years.

The union got into its stride yesterday when it decided to make Denmark's World Cup qualifying round soccer match against the Soviet Union an opportunity to rally the troops.

There is a soccer chant here: "We are red, we are white, we are Danish dynamite."

"Put Danish dynamite under Schlüter," the union urged in press advertisements this week. "First the kick-off against Schlüter and football afterwards," they added, calling for demonstrations in Copenhagen before the match yesterday afternoon.

But when Mr Hardy Hansen, the union chairman, turned up to address the crowd outside Parliament yesterday morning there were only 300 people in a square which can accommodate well over 100,000.

"They couldn't even sell soap powder the way they are carrying on," said the Prime Minister.

## Inquiry into Nobel group arms sales

By David Brown in Stockholm

NOBEL INDUSTRIES, the Swedish armaments and chemicals group, is under investigation for violating Stockholm's ban on arms shipments to nations at war.

Export documents discovered at the Nobel Kemi subsidiary which suggest that "large amounts" of explosive material have been shipped to several Gulf states over the past two years - has seized by customs officials here.

The group is alleged to have supplied weapons, including primary explosive charges for missiles and other ammunition, to the Iranian army.

Nobel Industries, which is refusing comment, was formed through the takeover late last year of KemaNobel, Sweden's largest chemicals group - by Bofors, the armaments manufacturer. The group has been dogged by persistent charges of illegal weapons supplying. The most recent, concerning guided missile sales to several Gulf states, is the subject of a separate police inquiry.

## Irish table Bill to extend voting right

A Bill to give voting rights to British citizens living in the Irish Republic was moved in the Dail (Parliament) yesterday. An estimated 12,000 people will benefit, writes Brendan Kennan in Dublin.

It also provides for the extension of voting rights on a reciprocal basis to citizens of other EEC countries. The Government hopes the Bill will encourage EEC states to extend the right to vote in parliamentary elections to EEC citizens.

## Fiat subsidiary to supply assembly lines for GM

By Alan Friedman in Gruigliasso, Piedmont

COMAU, the factory automation and machine tools subsidiary of the Fiat Group, is to supply General Motors of the U.S. and Canada with \$60m of automated assembly lines for the manufacturing of aluminium cylinder heads.

The order, which is to be completed by the end of this year, calls for Comau to supply about 50 large metal cutting and assembly transfer lines, which include more than 200 robots for metal cutting operations. The robots are capable of working from five different angles and the assembly machinery is electromechanical and contains hydraulic elements.

The manufacturing and assembly machinery, with a total productive capacity of 10,000 cylinder heads a day, is destined for two Chevrolet factories in the General Motors network. One is at Tinsawanda near Buffalo, New York, and the other at Saint Catherine's in Ontario.

Comau, which last year reported a 114.2m (£7.2m) net profit on 1490m (\$263m) of sales, derived roughly 70 per cent of its turnover from domestic sales, including intra-group orders for Fiat.

Dr Paolo Comarella, Comau managing director, said yesterday that in the last eight months of 1984 the company received \$100m of new orders from the U.S. More than \$100m of these orders are expected to appear as part of Comau's 1985 total sales.

## Dutch factory shelved

By Laura Raun in Amsterdam

INMOS, the British integrated circuit company, and two Dutch Government-sponsored venture capital funds, have shelved plans for a £700m (£173m) semiconductor factory in the province of Limburg.

Inmos, which suffered a loss in the first quarter, cited the sharp decline in the integrated circuit industry as a reason for postponing expansion plans.

There has been speculation that Inmos, which was taken over by Thomson EMI last year, will be in the red for the year as a whole after it moved into the black last year for the first time in several years.

Present production capacity in Inmos's Colorado Springs and Newport, South Wales, factories is sufficient for the time being although a

third facility in the long term is still possible, the company said.

The Limburg Institute for Development Finance, a provincially owned venture capital fund, first approached Inmos 3½ years ago with financial incentives to build a plant in the southern province. In recent years, the Dutch Government has sought to revitalise the Limburg economy, which was depressed by the closure of its coal mines in the 1980s.

FINANCIAL TIMES, USPS No 190840. Published daily except Sundays and holidays. U.S. subscription price: \$420.00 per annum. Second class postage paid at New York, NY, and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 57th Street, New York, NY 10022.



## Bags more style, bags more profit.

Burton and Habitat Mothercare - two of the most successful retailers in the UK. Innovators with the flair to create outstanding retail businesses. Both companies have superb growth records. Both have proved that their exciting ideas

can be made to work in large spaces as well as small.

To be a successful retailer Debenhams needs the vision and retail management skills of Burton and Habitat Mothercare.

— They have bags more style.  
— That's why they produce bags more profit.

Debenhams often promise  
Burton always delivers.

The Burton Group

habitat/mothercare



## EUROPEAN NEWS

### FRENCH POLLS POINT TO BIG WIN FOR GOVERNMENT OPPONENTS

## Disputes jeopardise opposition lead

BY DAVID HOUSEGO IN PARIS

THE HOPES of French opposition parties of impressing public opinion this weekend with a display of their unity have been badly jolted by a fresh squabble among their leadership about future economic policy.

The quarrel comes at a time when public opinion polls are suggesting the opposition will win an outright majority in the National Assembly at the elections next March—but one which could disappear if there is continuing disunity on the Right.

A computer simulation by the Sofres market research institute suggests an opposition majority of 30 seats in the next Assembly on the basis of proportional representation and the current findings of the public opinion polls. The forecast assumes, however, that the Socialists would only win 25-26 per cent of the vote. The Socialists are aiming for 30 per cent.

FRANCE yesterday announced FFR 3bn (£250m) worth of fresh benefits for the unemployed, writes David Housego. Most will go to the long-term unemployed. These out of work for more than a year have received only FFR 40 (£3.36) a day, bringing them into what has been called here a class of "new poor."

As a result of yesterday's measures 115,000 long-term unemployed will receive FFR 64.50 a day from July 1. Unemployment figures

have been falling slightly over the past three months: the total at the end of April was 2.4m. The number of net jobs being shed in the economy is still growing. The current account deficit, meanwhile, rose to FFR 17.7bn (£1.5bn) in the first quarter. This was mostly due to the widening of the trade deficit to FFR 10.5bn over the three months. Debt servicing payments were also unusually large.

agreed policy in government. On Sunday, however, M Barre described as "demagogic" the RPR's economic proposals which had been announced the day before at a special party congress. He said the opposition would lack credibility with the electorate if it implied that the economy would be flourishing in six months and unemployment checked in a year.

M Barre was attacking Gaullist proposals for Reagan-style tax cuts and deregulation of industry as a means of injecting dynamism into the economy. M Barre believes they would lead to a widening of the budget deficit.

In going so far, M Barre was giving vent to his irritation at M Chirac's speech on Saturday. Leaving no doubt that he had M Barre in mind, M Chirac said that it would be suicidal for the opposition to return to a policy of conservative deflation and austerity.

The renewed squabbling has brought M Jacques Chirac, leader of the neo-Gaullist RPR, into conflict with M Raymond Barre, the former Prime Minister, who is increasingly outspoken about his presidential ambitions.

Both are due to appear on the

same public platform on Sunday along with former President Valéry Giscard d'Estaing. Their joint attendance at a liberal convention will be the first time they have appeared in public together since 1981 and was intended to crown the opposition's efforts to negotiate an

## Papandreou keeps key party men in cabinet

By Andriana Ierodias in Athens

GREECE'S SOCIALIST Prime Minister, Mr Andreas Papandreou, was sworn in yesterday at the head of an 18 member "service" cabinet. This mainly comprises key ministers from the previous administration holding the same portfolio, with an emphasis on personalities with a strong track record in the Socialist Party (Pasok).

The present cabinet's task will be to run the country until Parliament in July approves the merging of existing ministries into "super-ministries" and abolishing others.

Mr Papandreou continues to hold the defence portfolio. To this he has added the Ministry of Northern Greece, responsible for administrative matters in the sensitive areas of Macedonia and Thrace.

Of the other ministers, a majority are distinguished either by high positions in the Pasok hierarchy, or by a long and loyal history with the party.

Mr Yiannis Charalambopoulos remains Foreign Minister; Mr Akis Tsoulatzopoulos stays as Minister to the Prime Minister and also assumes the Labour portfolio; Mr George Gennimatas, keeps the Health Ministry; and Mr Costas Simitis retains the Agriculture Ministry. All four are members of the Pasok executive bureau, the party's top executive body.

A key exception to the strong party presence in the cabinet is the Economy and Finance Minister, Mr Gerasimos Arsenis, who is a technocrat rather than a party man. He also takes on the Merchant Marine portfolio. He worked for the OECD and the United Nations before becoming Governor of the Bank of Greece and then a minister.

Mr Theodore Pangalos remains Under-Secretary for EEC Affairs, a job he pursued faithfully during the Greek fight for the Integrated Mediterranean Programme. The only woman in the new cabinet is the former film star, Melina Mercouri, who has kept the job of Culture Minister.

Another minister, apart from Mr Papandreou, to hold three portfolios is Mr Evangelos Kouloumbis. He is now Minister for the Environment, for Transport and for Public Works.

## West Germany reduces subsidies to industry

BY PETER BRUCE IN BONN

THE WEST GERMAN Economics Ministry has signalled the start of what it claims is a determined campaign to cut public subsidies to local industry.

Following talks between Herr Martin Bangemann, Economics Minister, and Herr Gerhard Stoltenberg, his counterpart in the Finance Ministry, on next year's federal budget, the Economics Ministry said it would be cutting back its subsidies by DM 1bn (\$527m) in 1986.

A ministry statement said yesterday that the economics budget would be trimmed to DM 4.08bn in 1986 from DM 5.02bn this year. Shipyards and the steel, coal-mining and aerospace industries would be worst hit by the cuts, the statement said, with slightly more funds flowing into small businesses.

Aid to German shipyards will fall DM 30m to DM 200m next year, with steel producers — because of long-established European Community rulings — receiving no funds at all. German steelmakers are being paid some DM 385m by the state this year.

The German coal industry, which won promises of DM 1.54bn from the Economics Ministry this year, will have to do with DM 370m less. Although the measures will undoubtedly be greeted with relief from the many business lobbies that have recently been criticising the Government for not keeping to its election promises to cut state aids, it is highly unlikely that they will be regarded as nearly strong enough.

The Economics Ministry is only one of the country's principal subsidising agencies, with both the Finance Ministry (which controls a host of financially crippled industrial operations) and the Agriculture Ministry at least equalling its annual payments.

Total West German subsidies are almost incalculable anyway. Estimates by the five leading West German economic institutes for 1982 ranged between DM 40bn and DM 110bn. Total subsidies have risen at a conservatively estimated rate of 7.8 per cent a year since 1970 and many economists in Bonn are sceptical about the current right-of-centre Government's capacity to slow that down significantly.

The coal industry, which under the plans outlined by the Economics Ministry will face the biggest cutback next year, is supported in other ways.

orders and output. New orders jumped 3 per cent in April, and for that month and March combined stood 8.5 per cent higher in volume terms than a year earlier. As usual, foreign demand made the running, with export orders up 13 per cent, while domestic orders rose just 3 per cent.

Industrial production, on the other hand, has been virtually flat so far in 1985. Although production in March and April was 4.5 per cent more than in the same months of 1984, April alone saw a 0.5 per cent decline from the level of March.

## Union militants fight police at SKF plant

BY PAUL BETTS IN PARIS

AT LEAST 100 people were injured, some seriously, during clashes between French riot police and militant members of the pro-Communist CGT union yesterday in some of the worst labour violence since the Left came to power four years ago.

Not since the incidents at the Talbot car plant at Poissy 18 months ago has there been such violent labour unrest in France. As many as 65 riot policemen and 35 demonstrators were hurt in six hours of clashes at Ivry, on the outskirts of Paris. The face that this is in the parliamentary constituency of M Georges Marchais, the Communist party leader, has given the affair an additional political dimension.

The incidents were sparked off when a commando of CGT militants made a dawn raid on a ball bearing factory owned by the Swedish SKF group. The plant has been at the centre of a dispute ever since the company decided to close it about two years ago.

The CGT and the Communists opposed the decision and militants have occupied the factory, which employs 639 people, for the past 18 months

until riot police were sent in to clear it last week. This led to violence last week and provoked a storm of protests from the Communist leadership and the local population.

The Communist party and CGT leadership are clearly seeking to transform the Ivry dispute into a broad attack on the Government's economic and industrial policies. In recent weeks, the Communists have toughened their attacks against the Socialists. Their opposition has steadily increased since the party withdrew from the coalition last summer.

At the same time, the party and union leaders have faced growing criticism from their rank-and-file as the communist influence continues to wane. Indeed, those leaders have failed so far to mobilise workers to put pressure on the Government which has been able to push forward a number of industrial restructurings in a relatively peaceful labour climate.

However, in the case of SKF the CGT has finally managed to launch a spectacular action with the full backing of local militants and the Ivry population.



Tear gas swirls around the legs of one of the demonstrators at the SKF plant yesterday as he tries to escape from riot police trying to clear the factory of its union occupiers.

## Unemployed down by 112,000

BY RUPERT CORNWELL IN BONN

UNEMPLOYMENT currently the most explosive political issue in West Germany, fell by 112,000 last month — a smaller improvement than hoped for by the hard-pressed coalition Government of Chancellor Helmut Kohl.

According to statistics from the Federal Labour Office in Nuremberg, the number of jobless dropped to 6.8 per cent of the workforce, 2.1m compared to 9.3 per cent, or just over 2.3m in April.

But Herr Heinrich Franke, president of the office, afterwards called the latest figures "disappointing." They reflected only the normal seasonal improvement in the labour market and gave no sign that the present modest upswing in the economy was creating new jobs.

The only real comfort in the May returns was a sharp decline in the amount of short-time being worked in Germany and a modest rise in the number of notified vacancies, to 115,400. But this will be insufficient, almost certainly, to reduce the pressure on the Government for measures to produce a quick reduction in the number of jobless.

Further pointers to steady if unspectacular growth came yesterday with the latest figures for industrial

sonal improvement in the labour market and gave no sign that the present modest upswing in the economy was creating new jobs.

The only real comfort in the May returns was a sharp decline in the amount of short-time being worked in Germany and a modest rise in the number of notified vacancies, to 115,400. But this will be insufficient, almost certainly, to reduce the pressure on the Government for measures to produce a quick reduction in the number of jobless.

Further pointers to steady if unspectacular growth came yesterday with the latest figures for industrial

sonal improvement in the labour market and gave no sign that the present modest upswing in the economy was creating new jobs.

The only real comfort in the May returns was a sharp decline in the amount of short-time being worked in Germany and a modest rise in the number of notified vacancies, to 115,400. But this will be insufficient, almost certainly, to reduce the pressure on the Government for measures to produce a quick reduction in the number of jobless.

Further pointers to steady if unspectacular growth came yesterday with the latest figures for industrial

## Sweden's deficit increases

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

SWEDEN accumulated a deficit of SKr 3bn (\$338m) on the current account of the balance of payments in the first three months of the year compared with a surplus of SKr 3.3bn in the corresponding period last year.

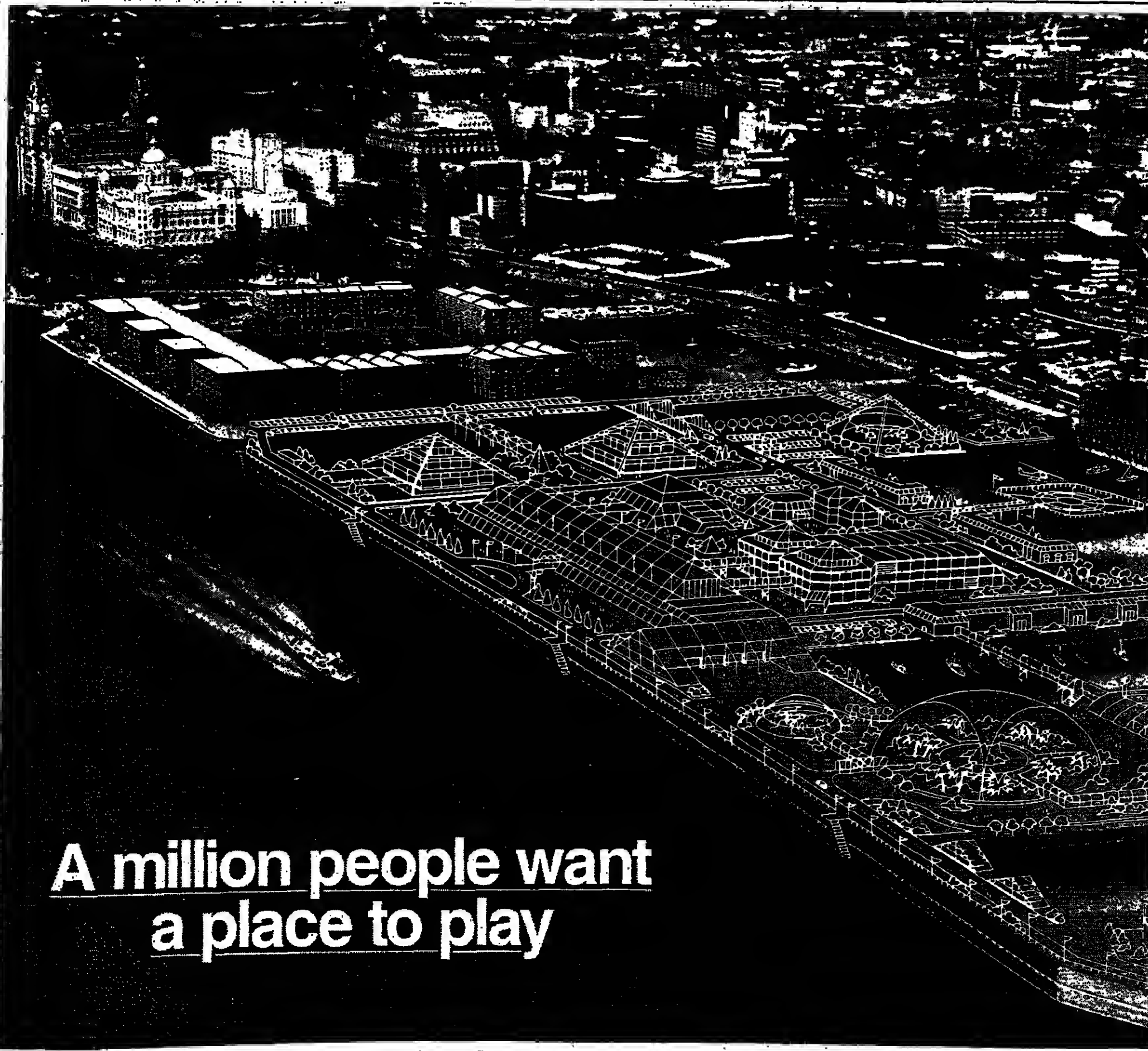
The deterioration in the country's external payments position was one of the chief factors that forced the Government to impose last month's credit squeeze and drastic increase of interest rates.

The measures were aimed at combating the crisis of confidence in the krona, halting the outflow of capital from the country, and dampening private consumption and saving imports.

According to figures released this week by the Riksbank, the central bank, the deterioration in the current account which showed a small surplus last year was even more rapid in the first quarter than was originally feared.

In March, the current account showed a deficit of SKr 1.8bn compared with a surplus of SKr 1.5bn a year earlier.

The big jump in imports means that the trade surplus — needed to meet the heavy interest payments on Sweden's mountain of foreign debt — slumped to only SKr 1.8bn in the first three months of the year compared with a surplus of SKr 8.2bn in the corresponding period of 1984.



# A million people want a place to play

This year about a million people will be visiting the Mersey Waterfront.

From far and near they will be coming to the historic Albert Dock Village — the country's largest group of Grade One Listed Buildings — currently being restored in a multi-million pound project comprising shops, businesses, entertainments and the famous Merseyside Maritime Museum. By 1988 Albert Dock will also be home of the 'Tate in the North', bringing one of the country's finest collections of contemporary art to Liverpool.

People will be visiting the nearby Festival Gardens, over 70 acres of spectacular gardens and events, all on the site of last year's International Garden Festival, the country's largest tourist attraction of 1984.

Albert Dock Village and the Festival Gardens are just part of an imaginative and exciting riverside development. A development where a million people will discover 68 acres of newly restored waterspace, right in the heart of Liverpool.

Large areas of land are available, land ideal for housing projects, sports and leisure facilities, entertainment complexes plus many exciting marine based activities. These superb riverside sites, together with a million people visiting the Mersey Waterfront offer tremendous opportunities for development and investment.

Working closely with the private sector, Merseyside Development Corporation is creating a unique environment, bringing prosperity and people to this revitalised waterfront.

A waterfront you should become part of.

Find out how — 'phone Alex Anderson today.

**MDC** Merseyside Development Corporation

Royal Liver Building, Pier Head, Liverpool L3 1JH. Telephone 051-236 6090



## AMERICAN NEWS

## Kaufman warns of decline in U.S. credit standards

BY WILLIAM HALL IN NEW YORK

THE REVOLUTION which is sweeping through the U.S. financial markets is lowering credit standards and chipping away at confidence in the financial system, warned Dr Henry Kaufman, Salomon Brothers' chief economist yesterday.

In a hard hitting attack on several recent developments in the U.S. financial system, Dr Kaufman told a House of Representatives subcommittee that the "integrity of credit" is being chipped away by the financial revolution which is "muting the responsibilities of creditors and debtors."

His remarks are the latest sign of the growing concern in the U.S. at the pace of change which is taking place in the financial markets following the removal of many regulations on banks and other financial institutions.

The dismantling of the old

rules has encouraged a much more entrepreneurial spirit among the leaders of America's financial institutions and led to the development of a wide range of new products. But it has considerably increased the risks facing bankers and their customers.

Dr Kaufman cited four areas of development in the credit markets which were cause for concern in his testimony yesterday.

● The credit market debt of households, businesses and governments is increasing at an unprecedented pace. Last year it rose by 14 per cent, double the growth of the 1980s and three percentage points above the 1970s growth. He says it is unusual for it to rise faster than the growth in Gross National Product.

● Short-term borrowing, mainly floating rate financing, is rising rapidly while long-term private

sector borrowing has diminished significantly in importance.

● Credit quality of business corporations continues to deteriorate even though the economic expansion is in its third year. Mergers and acquisitions are exacerbating this.

● The equity base of many financial institutions is exceedingly thin. Institutional asset quality also is declining. In many instances market value of institutional assets is below cost, leaving liquidation value of institutional capital in serious need of repair.

Dr Kaufman warned the committee that "we are drifting toward a financial system in which credit has no guardian."

While deposit insurance had been an important element in restoring confidence after the bank collapses of the 1930s it "served to remove the disciplining link" between the borrower and depositor.

## Senate rejects cuts in SDI cash

By Reginald Dale, U.S. Editor, in Washington

THE REPUBLICAN-LED U.S. senate yesterday brushed aside a series of Democratic attempts to slash funding for President Ronald Reagan's Strategic Defence Initiative, known as the Star Wars space defence programme, upholding the sum of \$2.97bn (£2.35bn) for the coming 1986 fiscal year proposed by the House of Representatives.

The Senate leadership easily defeated four Democratic amendments that would have cut funding by \$1.5bn, frozen spending at the current year's level of \$1.4bn, or compromised nearer the \$2.97bn figure. The committee's proposal already represents a reduction of over \$700m from the \$3.7bn that Mr Reagan originally requested.

The programme is likely to be treated less kindly, however, by the Democratic House, which is due to vote later this month. The House armed services committee has cut Mr Reagan's request to \$2.5bn, more which Mr Casper Weinberger, the Defence Secretary, has attacked as tantamount to collaborating with the Soviet Union in its efforts to torpedo the programme.

Amendments are expected on the House floor both to cut the \$2.5bn still further, and to raise it back to something nearer Mr Reagan's request.

U.S. car sales

up 2.6% in May

By William Hall in New York

U.S. CAR sales rose 2.6 per cent to 1.07m in May but over four-fifths of the increase was accounted for by higher imports, principally from Japan.

The sales of domestically produced cars rose 0.5 per cent to 897,596 in May while imports rose 9.9 per cent to 263,787 units. Imports accounted for 34.8 per cent of the market compared to 32.1 per cent a year ago. Japanese exporters boosted their share of the market from 14.8 per cent in April to 19.2 per cent in May.

The May import figures translate into an annual rate of 2.8m cars, substantially up on the annual rates of 2.2m and 2.4m in March and April.

Hugh O'Shaughnessy in Lima reviews the problems facing Peru's

## Garcia promises energetic reform

"THE FIRST thing we're going to do is to get our relations with the International Monetary Fund on an honest basis. We are fed up with Peru and the fund promising each other things they can't deliver."

Sr Gustavo Soberbein is one of the group of young economists advising the 36-year-old Sr Alan Garcia, who was declared President-elect of Peru last Saturday. Sr Soberbein was putting a gloss on Garcia's decision to put Peru's financial house in order before resuming direct and formal negotiations with the IMF. Sr Garcia takes up the presidency on July 28.

"Anyone who looks at the future understands that Peru simply cannot pay its debts as they presently stand. No country can pay out 80 per cent of what it earns in exports on servicing a debt of \$14bn," Sr Soberbein says.

According to central bank figures, if Peru continues to devote no more than the present \$25m a month to debt servicing it will be \$1.4bn in arrears with its creditors by the year end.

Whether the chances of eventually coming to mutually acceptable terms with Peru's creditors, Sr Garcia's team gives the impression of brimming with new energy to tackle Peru's financial problems.

They contrast sharply with the stagnant, do-nothing image that the incumbent Government of President Fernando Belaunde has acquired in the closing stages of his five-year term.

"The only ministries that Belaunde was interested in were communications and housing," says one Garcia adviser criticising the President's passion for constructing



Sr Garcia: putting Peru's house in order

roads and public buildings. Sr Garcia is certain to take a broader and more radical view of the country's economic situation. He is willing to go a long way to meet the Fund's criticism of past government policy even if they are not in direct negotiation with the Fund.

The state corporations such as Electro Peru and Petro Peru, the power and oil companies which account for the largest fraction of sector deficit, will be shaken up as the Government aims to reduce public sector deficits from 10 per cent of gross national product to 6 per cent over two years.

"Many public sector tariffs are ridiculous," says Sr Victor Lopez, one of Sr Garcia's economic team. "It has been tabulated, for instance, that a poor family in Lima pays 20 times as

much for its water as a rich family living in one of the smart districts of the capital."

Sr Garcia's advisers are also expected to cut military expenditure. One of the major foreign policy issues in the next few months will be the launching of a plan to persuade South American governments to limit military spending to 5 per cent of the GNP, an idea which should also go down well with Peru's creditors.

"One of our difficulties is that Chile and Ecuador are both devoting 7 or 8 per cent of their GNP to military spending," commented a presidential adviser.

The Garcia Government, however, will be unwilling to impose a full stop on Peru's growth prospects or put an end to the public sector deficit from one month to another, or reduce tariff protection completely for industries which are already at or over the brink of bankruptcy, as it says the IMF demands.

To do so would create a dislocation and social unrest, the Garcia team claims. The average income of Peruvians has already dropped by 13.3 per cent since 1981 with the poorest suffering the most.

"We already have a problem with the left-wing Sendero Luminoso guerrillas, which means we have 15,000 troops in the field trying to control them. Does the Fund want to have us put 30,000 troops in action against a growing guerrilla movement?" asks Sr Soberbein.

Peru also has to face an increasing challenge of inflation: the cost of living rose 10.9 per cent in May and the recent measure to mint the intipala, a new currency unit representing 1,000 of the old

soles, is already being eroded. One of the biggest challenges to be faced by Sr Garcia is the control of Peru's largest single export, Coca paste, the raw material for cocaine, is produced in vast quantities from an estimated 60,000 hectares (148,000 acres) sown with coca bushes throughout the country in the valley of the Huallaga river.

Peru's legitimate exports total some \$3bn a year, but exports of coca paste are worth perhaps as much as \$2bn of which \$300m-\$400m stays in Peru while the rest is banked abroad. The economic power this trade gives the traffickers is undermining the fundamentals of Peruvian society and corrupting police, the armed forces and Government.

As Peru wrestles with its problems of recession, inflation, debt and guerrilla terrorism, Sr Garcia will adopt a more active high-profile foreign policy, starting with a visit to the Pope and political leaders in Western Europe before he takes over the presidency at the end of next month.

He will be presenting his Government as perhaps the last chance for parliamentary democracy in Peru. In April's general elections the parties of the United Left received more than 21 per cent of the vote against the 46 per cent received by his own Apra Party.

It was evident that Peru's bargaining for better repayment terms has not gone unheeded who last month the U.S. Ambassador, Mr David Jordan, came down publicly in favour of a rate-capping system for the interest rates Peru pays on its foreign debt and an increased compensation facility for Peru with the IMF.

## Reagan launches scathing attack against Nicaraguan leadership

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan yesterday launched a scathing new attack on the Sandinista leadership of Nicaragua as Congress prepared to consider revised plans for U.S. aid to the anti-government Contra rebels.

Both the Administration and Republican congressional leaders expressed optimism that a package of non-lethal or "humanitarian" aid for the Contras could be approved in the coming days—reversing Mr Reagan's stance in defeat on the issue in the House six weeks ago.

Mr Robert Dole, the Senate Republican majority leader, said that he had the votes to pass a bipartisan \$32m (\$25.4m) two-year package in the Senate while Mr Robert Michel, the House minority leader, was equally confident over the prospects for a \$27m plan in the House. Sharp differences remained, however, as to whether the funds should be administered by the Central Intelligence Agency.

On a swing through Oklahoma to promote his tax reform proposals, Mr Reagan said that Congress could no longer

"ignore the obvious." The Soviet bloc nations and their terrorist allies, Libya and Iran, were pouring weapons and ammunition "to establish a beachhead on our own doorstep," he said.

Referring to Sr Daniel Ortega, the Nicaraguan President, Mr Reagan said: "The little dictator who went to Moscow in his green fatigues to receive a bear hug did not forsake the doctrine of Lenin when he returned to the west and reappeared in a two-piece suit. He made his choice long ago. History will not wait on us."

Mr Reagan's remarks came a day after the White House had condemned Nicaragua for what it called "increased aggressive behaviour" against neighbouring Honduras and Costa Rica, and called on the Sandinista Government "to halt immediately any further military operations against its neighbours."

Tim Come in Madagua writes: A Nicaraguan army offensive along the San Juan river in the south of the country has overrun a number of base camps of the U.S.-backed guerrilla organisation ARDE, cut its supply lines and forced the bulk of its forces over the border into Costa Rica.

According to Commander Emmerich Ortega, Nicaragua's Defence Minister, the operation is aimed at eliminating the guerrilla presence in the south of the country and at re-establishing civilian boat traffic along the San Juan river which has been suspended since 1982 because of the guerrilla war.

Over 70 guerrillas, or contras, have been killed, three of their principal bases overrun and air strikes are being launched upon other guerrilla concentrations and airstrips operated by the contras.

The army has also cut an important supply route through the jungle which was used to maintain guerrilla units deeper inside the country operating in the region of Nueva Guinea.

Reports from Costa Rica state that the ARDE guerrilla organisation is now in bad shape, and that its commander, Sr Eden Pastora, has left Costa Rica on an urgent trip abroad to raise funds for arms.

backed guerrilla organisation ARDE, cut its supply lines and forced the bulk of its forces over the border into Costa Rica.

According to Commander Emmerich Ortega, Nicaragua's Defence Minister, the operation is aimed at eliminating the guerrilla presence in the south of the country and at re-establishing civilian boat traffic along the San Juan river which has been suspended since 1982 because of the guerrilla war.

Over 70 guerrillas, or contras, have been killed, three of their principal bases overrun and air strikes are being launched upon other guerrilla concentrations and airstrips operated by the contras.

The army has also cut an important supply route through the jungle which was used to maintain guerrilla units deeper inside the country operating in the region of Nueva Guinea.

Reports from Costa Rica state that the ARDE guerrilla organisation is now in bad shape, and that its commander, Sr Eden Pastora, has left Costa Rica on an urgent trip abroad to raise funds for arms.

U.S. car sales

up 2.6% in May

By William Hall in New York

U.S. CAR sales rose 2.6 per cent to 1.07m in May but over four-fifths of the increase was accounted for by higher imports, principally from Japan.

The sales of domestically produced cars rose 0.5 per cent to 897,596 in May while imports rose 9.9 per cent to 263,787 units. Imports accounted for 34.8 per cent of the market compared to 32.1 per cent a year ago. Japanese exporters boosted their share of the market from 14.8 per cent in April to 19.2 per cent in May.

The May import figures translate into an annual rate of 2.8m cars, substantially up on the annual rates of 2.2m and 2.4m in March and April.

## Unions to fight Canada's free trade moves

BY BERNARD SIMON IN TORONTO

CANADA'S LABOUR movement is preparing to mount an offensive against government moves to liberalise trade with the U.S. by far Canada's largest trading partner.

Mr Bob White, the director of the United Auto Workers Union of Canada, said on Tuesday that he believed the Canadian labour movement was being held by the Federal Government on U.S.-Canada free trade, have stifled public discussion of the issue. "What worries me is that this thing is sliding very quickly,"

Mr White said. Labour leaders will discuss tactics to publicise anti-free trade views at a meeting in Ottawa later this month.

The Government is expected to outline its proposals for trade negotiations with the U.S. later this year. Two-way trade totalled \$35.1bn (£28bn) in 1984. The Canadian business community generally supports moves to lower trade barriers between the two countries.

Canadian trade unionists fear that trade liberalisation

will prompt many U.S. companies to supply Canada from plants in the U.S., shrinking or closing down their Canadian operations.

Mr White also argued that Canadian exporters already have all the access they need to the U.S. market when demand is strong, and that a free trade agreement would crumble under U.S. protectionist pressures at times of excess American capacity. He pointed to current moves in the U.S. to restrict lumber imports from Canada.

Opponents of trade liberalisation are likely to get a major boost from the imminent change of government in the province of Ontario, Canada's industrial heartland.

The Liberal Party, supported by the left-leaning New Democratic Party (NDP), is expected to take office in the province within the next two weeks.

The NDP, whose support comes mainly from blue-collar workers, has deep reservations about opening up Canadian markets to U.S. manufacturers.

## U.S. Congress close to adopting sanctions against S. Africa

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. Congress has moved significantly closer to imposing economic sanctions on South Africa, with the adoption of a series of anti-apartheid measures by the Senate Foreign Relations Committee.

The committee's action, which included a ban on all U.S. bank loans to the South African Government, was the strongest so far approved in the Republican-controlled Senate and a major rebuff for President Ronald Reagan's policy of "constructive engagement" with Pretoria.

The 16 to 1 committee vote in favour of sanctions suggested that the legislation has a good chance of passing the full Senate in the days ahead. It came as the Democratic-led House of Representatives continued work on its own, even tougher measures, with a view to adopting a final sanctions package later last night.

As well as banning bank loans, the Senate version

would prohibit computer sales to the South African security services or other agencies involved in enforcing racial segregation, and the sale of U.S. nuclear technology and equipment to South Africa and oblige U.S. companies operating there to provide equal housing and working conditions for blacks and whites under the so-called Sullivan principles.

The House legislation would, in addition, immediately ban further investment in South Africa by U.S. companies and end imports into the U.S. of South African gold Kruggerand coins. The draft Senate Bill would add those measures after 18 months, if "significant progress has not been made toward ending the policy of apartheid."

Once legislation is passed by both houses, the two versions would have to be reconciled in conference negotiations, which would probably settle on a compromise somewhere between the two.

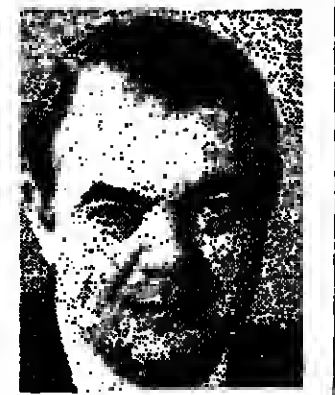
## 'Blacks will be expelled' if disinvestment laws passed

BY ANTHONY ROBINSON IN JOHANNESBURG

THE expulsion from South Africa of illegal black immigrants from neighbouring independent states was one of the options open to South Africa if the U.S. Congress passed disinvestment legislation, Mr Louis Nel, the Deputy Minister of Foreign Affairs, told a party meeting in the small Eastern Cape town of Beaufort.

He added that America must realise that if it went ahead with disinvestment South Africa would have to take steps to protect itself in a way that would make people realise that South Africa was the regional power in Southern Africa.

The presence of illegal black workers in South Africa is often cited by South African diplomats as proof that its apartheid laws are not so harsh as seen as a source of income and the opportunity for foreign blacks and further evidence of the dependence of other Southern African economies on continu-



Mr Nel: the regional power in Southern Africa

ing South African prosperity. ● The report of the Kanner Commission set up after the shooting of 19 blacks by police at Langa near Uitenhage on the 25th anniversary of the Sharpeville massacre was handed over to Mr Kobie Coetsee, the Minister of Justice, yesterday.

## Israelis to stay in Lebanon to beef up SLA

By David Lencow in Tel Aviv

ISRAELI troops are still in Lebanon today, their third anniversary of the 1982 invasion of Lebanon, despite promises by the Prime Minister that the withdrawal from Lebanon would be completed by June 6.

Israel began evacuating its forces from Lebanon in February, giving up large chunks of Lebanese territory, in two major pull-backs. But contrary to earlier undertakings it has now decided to leave a "limited number of troops in southern Lebanon for a short period," according to a military official in Tel Aviv.

The bulk of Israel's forces have been withdrawn from the border area but a few hundred soldiers and their equipment are remaining behind to try to beef up the Israeli-backed South Lebanese Army (SLA) which Israel wants to take over policing of the border area.

The continuing military presence in southern Lebanon, including six Israeli observation posts as well as mobile units, has created considerable domestic concern that this could result in further Israeli casualties, notwithstanding official announcements that the withdrawals have been completed.

It may also cause problems with Egypt, which has predicted major improvement in relations and the return of the ambassador to Tel Aviv on a complete Israel withdrawal from Lebanon.

Israel has proclaimed that it regards Lebanese territory up to 15 km deep, north of the border, as a security buffer zone. It wants to make the South Lebanese Militia a stronger force, to police this strip against Palestinian guerrilla infiltration.

However, it is generally acknowledged even by the Israeli military that this mainly Christian militia which is armed, trained and paid by Israel, is of dubious military ability without Israeli troops to back it up.

"We are leaving some soldiers in southern Lebanon to see how things develop there after the bulk of our forces is removed," the military official said.

If the area remains quiet then Israel may complete the evacuation in a few weeks.

Alain Cass, Asia Editor, examines the problems posed by Pakistan's nuclear programme

## U.S. faces dilemma over its ties with Asia

THE PERSISTENT but vehemently denied accusations that Pakistan is well on the way to acquiring nuclear weapons is proving serious embarrassment to U.S. attempts to improve relations with Asia's two major powers, China and India.

There are two aspects to America's dilemma. The first is the suspicion that China has, wittingly or otherwise, assisted Pakistan in its covert efforts to acquire nuclear weapons. That has seriously delayed U.S. efforts to push ahead with its attempts to involve China in closer relations, including the sensitive Nuclear Co-operation Agreement.

The second is the increasing concern felt in India at Pakistan's efforts and the growing threat that New Delhi would retaliate in the event Islamabad had acquired nuclear weapons.

India detested nuclear weapons in 1974, but successive Indian Prime Ministers have stated that their country would not develop a weapons system—a claim widely taken at face value.

The latest accusation, that Pakistan is on the verge of acquiring or may have already acquired nuclear weapons came from Mr Rajiv Gandhi, the Indian Prime Minister.

Mr Gandhi, in remarks clearly timed to coincide with his visit to the U.S. later this

month, also declared that India no longer excluded the possibility of acquiring a nuclear weapons capability.

It seems probable that India has merely embarked on a strategy of ambiguity aimed at the subcontinent and place considerable pressure on President Ronald Reagan and the U.S. Administration to curb Pakistan's activities, especially since Washington wants to improve relations with India.

The subject is bound to be the most important topic of discussion between President Reagan and Mr Gandhi during the Indian leader's visit.

At the same time, the subject of the Pakistan bombs makes it more difficult for the Administration to pursue its policy of selling sophisticated equipment to the Chinese and place considerable pressure on President Ronald Reagan and the U.S. Administration to curb Pakistan's activities, especially since Washington wants to improve relations with India.

The subject is bound to be the most important topic of discussion between President Reagan and Mr Gandhi during the Indian leader's visit.

At the same time, the subject of the Pakistan bombs makes it more difficult for the Administration to pursue its policy of selling sophisticated equipment to the Chinese and place considerable pressure on President Ronald Reagan and the U.S. Administration to curb Pakistan's activities, especially since Washington wants to improve relations with India.

The subject is bound to be the most important topic of discussion between President Reagan and Mr Gandhi during the Indian leader's visit.

visit, the Administration is faced with a real dilemma in deciding how far to push the frontiers of its relationship with China and the U.S. now accept that the idea of a "strategic relationship"—one in which, by implication, Peking and Washington are aligned to Moscow—is not really viable.

The prospect of a steady expansion in trade and personal exchanges between China and the Soviet Union over the next few years, even without significant political progress, is likely to further complicate the development of Sino-U.S. relations.

President Reagan will have to pick his way with even greater care through the various options available to him. He faces an early test of how to proceed over the next few months, when he must decide what weapons the U.S. will sell to China.

Last year, five Chinese military delegations visited the U.S.; in January, General John Shiao, chairman of the U.S. Joint Chiefs of Staff, went to Peking armed with cost estimates for the Chinese to consider. Among the items being considered are a fighter bomber aircraft, engine, a nuclear surface-launched anti-submarine torpedoes, the Phalanx anti-missile gun, the General Electric LM 2500 gas turbine engine used to power destroyer-

visit, the Administration is faced with a real dilemma in deciding how far to push the frontiers of its relationship with China and the U.S. now accept that the idea of a "strategic relationship"—one in which, by implication, Peking and Washington are aligned to Moscow—is not really viable.

The prospect of a steady expansion in trade and personal exchanges between China and the Soviet Union over the next few years, even without significant political progress, is likely to further complicate the development of Sino-U.S. relations.

President Reagan will have to pick his way with even greater care through the various options available to him. He faces an early test of how to proceed over the next few months, when he must decide what weapons the U.S. will sell to China.

Last year, five Chinese military delegations visited the U.S.; in January, General John Shiao, chairman of the U.S. Joint Chiefs of Staff, went to Peking armed with cost estimates for the Chinese to consider. Among the items being considered are a fighter bomber aircraft, engine, a nuclear surface-launched anti-submarine torpedoes, the Phalanx anti-missile gun, the General Electric LM 2500 gas turbine engine used to power destroyer-

ships, and the anti-tank TOW missile.

Asian countries, such as Taiwan and the Malay-dominated states of South-east Asia who regard China as a potential threat to the region, are arguing against U.S. arms sales to the People's Republic. They are backed up by right-wingers in Washington, some of whom within the Administration, who believe that the proposed arms package would have little impact on China's defensive capacity to face up to the Soviet Union. It would, however, significantly strengthen Communist states in South-east Asia as well as Taiwan.

The momentum of Sino-U.S. relations will be hard to stop. In 1984, two-way trade between the two nations rose 87 per cent over the previous year to a record \$6.1bn (£5bn). Approval was given last year for \$2bn worth of advanced U.S. technology sales to China.

It also seems likely that nuclear, chemical, India and the U.S. will develop an open and pragmatic relationship, something which both sides want.

However, Pakistan's efforts, real or imagined, to acquire nuclear weapons, is something which President Reagan will have to come to grips with if the U.S. is to make the best of both these opportunities.

## Shamir rules out PLO at talks

BY ROGER MATTHEWS

MR YITZHAK SHAMIR, Israel's Foreign Minister, repented yesterday, his Government would never negotiate with members of the Palestine Liberation Organisation or the Palestine National Council, the parliament in exile.

His comments in London underline the difficulties faced by King Hussein of Jordan in pressing ahead with his plan for a joint Jordanian-Palestinian delegation to discuss the future of the Israel-occupied West Bank and Gaza Strip.

Mr Shamir had been told on Tuesday by Mrs Margaret Thatcher that the British Government supported King Hussein's initiative. However, Mr Shamir said that it was normal for close friends to have some difference of views and

claimed that Mrs Thatcher backed Israel's opposition to the Jordanian plan for an international Middle East peace conference.

The Foreign Minister added that it was "inconceivable" for the PLO ever to recognise Israel's right to exist because by so doing "they would have to dissolve themselves."

Israel admitted that there were risks for King Hussein in peace process but the only way to make progress would be for direct talks between the two countries.

King Hussein is in London this week and will be seeing Mrs Thatcher tomorrow. He has ruled out bilateral talks with Israel.

U.S. Assistant Secretary of State, Mr Richard Murphy,

will visit Jordan early next month for possible talks with a joint Jordanian-Palestinian team in Middle East peace, Jordan's Information Minister said yesterday. Reuter reports from Amman.

It had been suggested that the first stage of the talks for an exchange of views between a Palestinian-Jordanian delegation and the Americans might take place here. It is just an expectation by both sides (Jordan and the U.S.), Mr Mohammed al-Khatib, the Information Minister said.

Mr Khatib was commenting on an uncorroborated report in the government newspaper Sawt al-Shaah, which also said the PLO would nominate three non-PLO members for the talks with Mr Murphy.

## Saudi oil output may be raised

SAUDI ARABIA may raise its oil output in the foreseeable future if other Opec members fail to stick to agreed production quotas, Mr Tariq Abdul-Wad, the Nigerian Oil Minister said in an interview published yesterday. Reuter reports from Jeddah.

"If other Opec countries are not respecting the rules on pricing and production, Saudi Arabia will also decide to produce its own quota and let the market forces decide the price," Mr Abdul-Wad told the English-language Saudi Gazette newspaper.

Saudi Arabia told a ministerial meeting of the Organisation of Petroleum Exporting Countries in the city of Riyadh on Monday that it was no longer prepared to compensate for overproduction by other Opec members, Mr Abdul-Wad said.

## Manila seeks Japanese aid

THE Philippines is seeking \$400m worth of new credits from Japan to finance 18 agricultural development projects, President Ferdinand Marcos said yesterday. AP-DJ reports from Manila.

Mr Marcos said Japan so far had extended \$1.7bn in loans to the Philippines, making it the country's "biggest source of concessional bilateral credit."

The new credits being sought would be part of a yen credit package from Japan's Overseas Economic Cooperation Fund, he said.



## WORLD TRADE NEWS

## EEC welcomes U.S. concession on steel pipes

By IVO DAWNAY IN BRUSSELS

EEC member states yesterday gave a broad welcome to a concession from the U.S. allowing above-quota sales of special steel pipes to the All American Pipeline company for its Texas to California project.

The positive reception to the U.S. gesture, made by Mr. Malcolm Baldrige, Commerce Secretary, last weekend, means the Community has also agreed to open talks within a few days with the Americans on other outstanding steel issues of concern to Washington.

Mr. Baldrige's offer was conditional on the EEC agreeing to conclude revision to the 1983 carbon steel agreement by October, and to open and finish consultations on several products from a 17-strong list of special steels by July 15.

Permanent representatives of the Ten agreed to these terms at a meeting in Brussels yesterday. But formal approval will have to wait until tomorrow when agreement should pass through written procedures at the European Council.

When this process is completed, it is understood that Washington will lift its block on

the importation of 100,000 tonnes of special tubes for the All American Pipeline company which U.S. manufacturers have been unable to supply.

Agreement to new talks on the so-called "consultation products" will raise hopes among U.S. producers that the Community's growing share of the American market may now be contained.

Under existing arrangements these are allowed unrestricted access to the U.S. However sales from the EEC have increased to as much as three times their 1982 levels and the American industry is anxious to see restraints enforced.

The products most likely to face import restrictions are tin-free steel, black plate and alloy wire rods. When the discussions are concluded in the middle of July, the Community will have to decide whether to accept an agreement on limiting sales which would at least guarantee a share of the U.S. market, or to fail to agree leaving open the option of retaliatory action through the General Agreement on Tariffs and Trade.

## Shipbuilding suffers further decline

By Andrew Fisher, Shipping Correspondent

WORLD shipbuilding orders continued their decline in the first quarter of this year, with both Japan and South Korea—the industry leaders—suffering large falls in new work.

Latest figures from Lloyd's Register of Shipping showed an order backlog of 22.5m gross tons at the end of March 1985, against 30.7m at the end of December 1984, and 31.4m the previous March. Just over 90 per cent of orders are scheduled for delivery by the end of 1986.

Japanese yards saw their order total fall by 1.5m tons during the three months to 11.6m, while that of South Korea went down by 349,000 tons to 5.4m. Brazil, which has just won a much-needed domestic tanker order, Spain and the U.S. also suffered sharp declines.

The world shipbuilding order total has hovered around the 30m-ton mark for the past seven years, ever since the early 1970s oil crisis sent business crashing from the 138m-ton peak reached in March 1974. In the 1980s, the highest order level has been the 37.5m tons recorded in June 1981.

Trade hopes recover from the spy scandal, writes John Elliott  
India's affair with France resumes

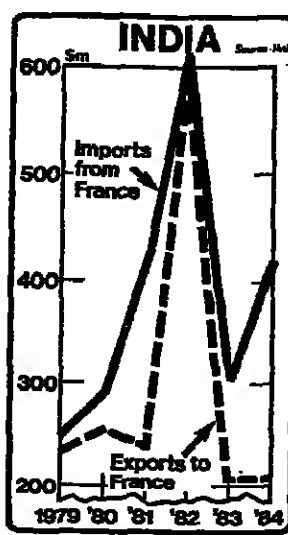
FOUR MONTHS after withdrawing its Ambassador and a defence attaché from New Delhi for alleged involvement in India's recent spy scandal, France today becomes the first Western country to receive Mr. Rajiv Gandhi on an official visit since he became Prime Minister of India last November.

France has backed up this impressive diplomatic recovery by emerging as the front runner for a defence order worth up to \$500m for a 155 millimetre Howitzer gun, against competition from the U.K., Sweden, Austria and the U.S.

It is also trying to win contracts for airliners, helicopters and a power station which were last year being finalised with other countries, and is trying to avoid losing a \$42m telephone switchgear project which its CIT-Alcatel telecommunications company last year thought it had won.

France has been playing an increasingly large role in India's development in the past few years. It now wants to use Mr. Gandhi's five-day visit to cement relationships in the wake of the spy episode and to persuade him to buy more high-technology goods.

Mr. Gandhi started a two-week foreign tour yesterday with a one-day visit to Egypt. In France and in the U.S. where he spends five days next week, he will be opening festivals of



India similar to the cultural and other events staged in Britain in 1982. He is expected to visit the UK briefly during a second tour in October.

President Francois Mitterrand of France successfully developed a close rapport with the late Mrs. Indira Gandhi, the former Prime Minister. India admires France's independent foreign policy and far prefers its stance on issues such as world bank aid, the north-south dialogue, and GATT to those adopted by the U.S. and Britain.

This background of mutual understanding, backed up by French diplomatic aplomb and aggressive commercial salesmanship, has helped France to recover from the spy scandal, which allegedly involved the sale of secret government documents on commercial and defence projects to Russia (which Mr. Gandhi visited last month) and other East European countries as well as France.

There may be few official announcements on projects while Mr. Gandhi is in France, although a new agreement on scientific and cultural co-operation will probably be signed.

But Mr. Gandhi may well tell the French Government that it is on a short list of two with either Austria or Sweden to supply the Howitzer gun.

France is about to start supplying 40 Mirage jet fighters and is bidding for part of a light combat aircraft development project and for other electronic defence equipment. Its Aerospace company is in the running for a \$85m-\$95m helicopter order recently lost by Westland of the UK and is trying, probably unsuccessfully, to outbid Boeing of the U.S. from a \$400m-\$500m (\$314.9m-\$393.7m) Indian Airlines order.

The French Alstom company is a front runner with John Brown of the UK for two gas turbine power station projects worth \$65m and is rivaling Austria for a \$700m hydro-electric power station project called Dul Hasti.

In the electronics area a French company, Sagem, is producing a new Indian telex machine. Bull is believed to be the Control Data Corporation of the U.S. for a major public sector contract to develop an Indian main frame computer. Franco has also just signed an agreement with India for coal mining equipment and it has been bidding for a share of the work on a large cross-country natural gas pipeline.

Mr. Gandhi's fascination for high technology will be met with a trip on France's high-speed train and a visit to a nuclear power station. France will offer technological and organisational help on a massive project personally launched by Mr. Gandhi—the cleaning of India's sacred, but badly-polluted, River Ganges.

India sometimes finds that French technology is more expensive and less advanced than at first is apparent: factors which might cost CIT-Alcatel its new telephone factory contract. There is no risk of supplies or spares being held back, however, as happens with U.S. contracts, nor are there limits on the sort of defence equipment that is available. So India values France as a friendly and reliable source of defence and other high technology, despite its alleged spying.

## Rockwell in link-up with French group

By David Marsh in Paris

A FRANCO-U.S. tie-up in rocket technology for possible civil or military space applications has been agreed between Societe Europeenne de Propulsion, manufacturer of the engines for the Ariane rocket, and Rockwell, the American aerospace company.

The accord, announced at the Paris Air Show yesterday, centres on technology exchanges covering liquid rocket engines, SEP, which makes the solid-fuel engines for France's nuclear-tipped ballistic missiles, will be teaming up with Rocketdyne, the Rockwell division which makes the main engines for the U.S. space shuttle, to examine future projects flying from the U.S. and European space programmes.

SEP will be bringing to the agreement specific expertise in composite carbon and ceramic materials that it has developed for French military programmes, as well as a revolutionary non friction bearing, designed and produced by its specialist subsidiary, Societa Meccanica de Magnetique.

SEP is assured of a big increase in its future workload as a result of the European programme to build a heavy duty Ariane 5 rocket for the 1990s.

## Community threatens to revive suit against Japan

By JUREK MARTIN IN TOKYO

THE European Community has told Japan that failure to resolve certain bilateral trading problems could lead to the revival of the EEC's suspended suit against Japan under Article 23 of the General Agreement on Tariffs and Trade (GATT).

The EEC had complained that Japan's trading practices had led to a structural and persistent trade surplus with the Community.

Mr. Leslie Fielding, the director general for external affairs, last night described talks in Tokyo this week, the latest in a twice-yearly round as "the frankest exchange of views in which I have ever taken part" in nearly eight years of negotiating with Japan. He said he had reminded Japan that the GATT suit was "in the refrigerator not in the freezer". He was making "a veiled threat," nor did he hold Japan "uniquely responsible" for current trade problems. "But the EEC expects Japan to make a significant contribution to the handling of this awkward trade situation and to help sustain economic growth in the West."

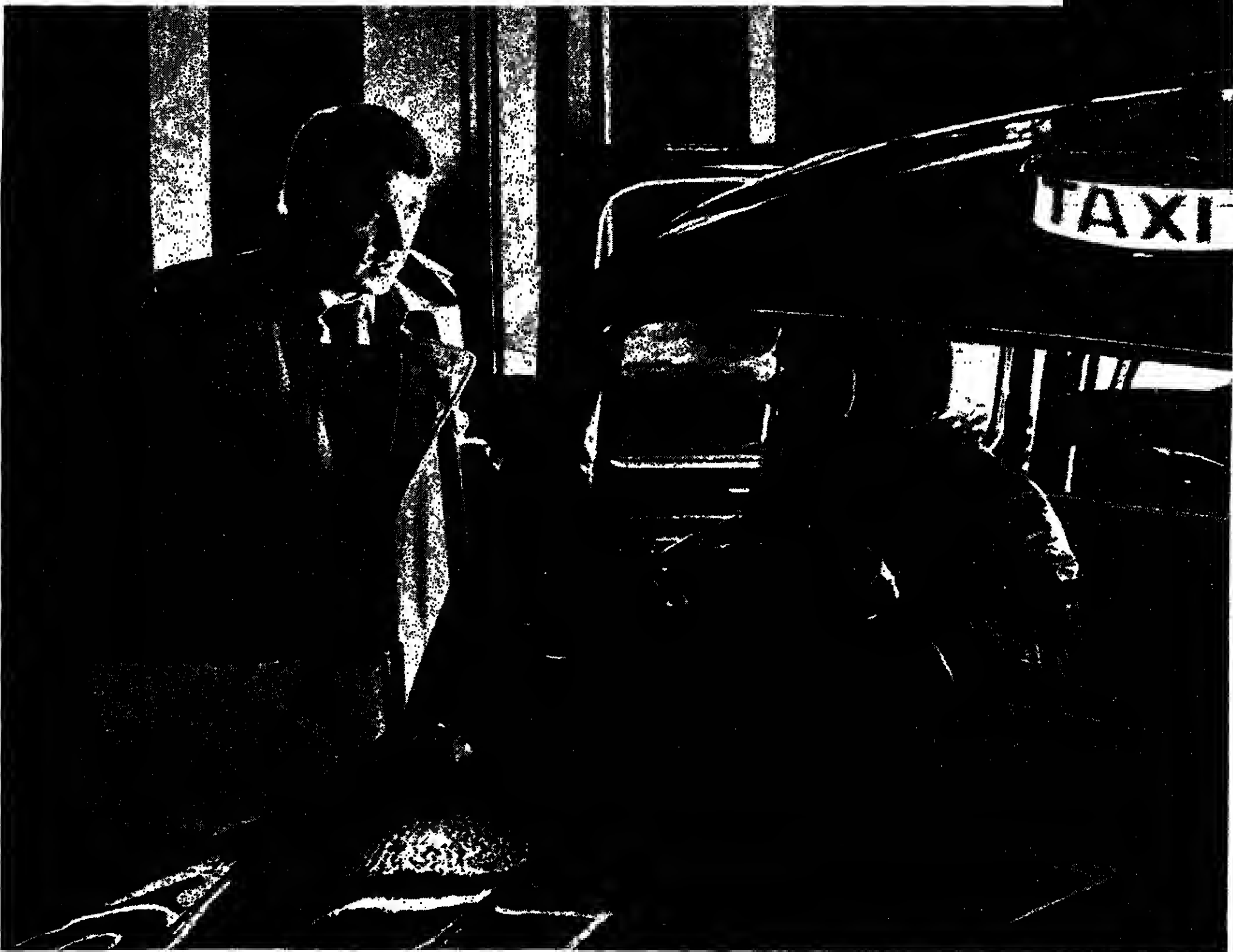
The EEC complaint, according to Mr. Fielding, was the failure to make anything other than "very limited" and "inadequate" progress in the bilateral trade expansion committee.

He said he had pointed out that this body, designed to help solve the least intractable trade problems, had been set up last year at Japan's request and that the EEC had agreed to participate in it "as an alternative to continuing with the Article 23 GATT action."

But Japan had made only "moderately useful" offers on just two subjects, one is wine bottle labels. "If this is the speed at which very detailed trade problems can be settled, then the outlook for the three-year action programme is not very encouraging."

Japan is committed, under the promises it made on April 8, to provide by next month such an action programme to increase imports. Sources in the EEC delegation here suggested that if next month's measures do not satisfy expectations then the whole future of the trade expansion committee would be in doubt.

## This man has £500 of his company's money he needn't have.



## Introduce The American Express Corporate Card System.

He's had a cash advance for his business trip. Like everybody else who travels for his company.

It all adds up to £1,080 million\* Last year it cost British business £140 million\* from profits to service these advances.

The American Express Corporate Card System practically eliminates cash advances. You keep the money to use more profitably.

Your employees need very little cash because they carry the American Express Corporate Card. They can sign for almost all their needs. They use the Card. You always know what they've used it for. And where. And when. That's control.

The American Express Corporate Card System provides greater efficiency in expense management together with major economies. Find out more about it.

Contact American Express Travel Management Services.

American Express Europe Limited, incorporated with limited liability in the State of Delaware, U.S.A.

The division of American Express that exists to help you plan, manage, finance, and operate your company's business travel with the maximum returns. And the lowest costs.

\*Source: Business Travel and Entertainment Expenses in British Business (1985).

To: Roy Stephenson, Vice-President, Travel Management Services, American Express Europe Limited, 2/3 Concorde St, London EC4A 3HX. Please send me a full information pack on the Corporate Card and the American Express approach to more efficient business travel management.

Name \_\_\_\_\_ Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Tel. \_\_\_\_\_



## GM plans Japanese joint venture

By Carla Rapoport in Tokyo

NHK SPRING, one of the world's leading suspension systems manufacturers and General Motors, of the U.S., are planning to set up a joint venture in Japan to make lightweight automotive suspension systems for GM cars.

The two companies have also reached a basic agreement to form car part joint ventures in the U.S. and Europe.

GM refused to comment yesterday but NHK Spring told reporters that the Japanese joint venture will be 55 per cent owned by NHK and 45 per cent by GM and will begin manufacturing next year.

GM recently revised its traditional policy of relying on in-house production for its car parts.

The Japanese joint venture will begin by producing suspension systems made of fibre reinforced plastics (FRP). NHK Springs claims these are about 50 per cent lighter than traditional suspension systems. In future the venture may produce car seats and other components.

NHK Spring, one of the few independent manufacturers of suspension systems in Japan, had sales last year of ¥11bn (£227m) and pre-tax profits of ¥4bn.

## Canadians confident on N-plant deal

By Bernard Simon in Toronto

ATOMIC ENERGY OF Canada and NEI Parsons of Britain are confident of winning a long-contested C\$1.2bn (£882m) contract to build a nuclear power station in Turkey.

Mr. James Donnelly, Atomic Energy president, said that a Canadian government decision on financing is the only remaining barrier to the sale which would be the first order for a Candu heavy-water reactor since 1961. "We're down to the very short strokes," he said.

NEI Parsons will supply conventional turbine generating equipment for the project. Mr. Donnelly said that a "substantial agreement" has been reached on Turkish government proposals that the contractor should operate the plant and take an equity interest.

The Atomic Energy consortium has agreed to acquire a 50 per cent shareholding, recovering its investment through electricity sales. The remaining 40 per cent would be owned by the Turkish Electricity Authority.

The Turkish Government signed letters of intent over a year ago with the Canadian consortium and Kraftwerk Union, of West Germany, but the West Germans have apparently balked at becoming part-owners of the power station.

## FN Moteurs backed for jet engine project

FN MOTEURS, a division of the Belgian arms, munitions and sports goods group Fabrique Nationale Herstal (FN), has received financial backing to enable it to participate in a jet engine programme led by the U.S. aeronautics company Pratt and Whitney, AP-DJ reports.

The programme involves the development and manufacture of FW4000 engines which will be used in long-haul aircraft such as Boeing 737s and Airbus A310s. Pratt and Whitney is part of United Technologies.

FN Moteurs has an agreement in principle with Pratt and

Whitney to undertake 3 per cent of the work. But the FN division needed backing to be able to participate in the programme.

The funds are being provided by Technofin which has been formed by public and private bodies in Belgium, including the country's largest financial holding company Societe Generale de Belgique. Technofin's equity totals Bfr 1.3bn (£18.6m), of which two-thirds is in the form of a subordinated loan. In addition, Societe Generale de Banque, has made a long-term loan to Technofin amounting to \$30m.



## UK NEWS

# Japanese risk trade backlash, says Tebbit

BY KEVIN BROWN

JAPAN FACES the prospect of a protectionist backlash unless it takes rapid action to end unfair trading practices, Mr Norman Tebbit, the Trade and Industry Secretary, said yesterday in the House of Commons.

Mr Tebbit made clear that the Government was still concerned about Japanese tactics in securing a £350m Turkish contract to build a second bridge across the Bosphorus. The contract went to a consortium including Mitsubishi Industries and Nippon Kokkan of Japan, despite a competitive bid by a consortium led by Trafalgar House, the British shipping and construction group.

The Trafalgar House bid was thought to have a good chance of landing the contract, but was put out of the running by the favourable credit terms offered by the Japanese. Mr Tebbit told MPs that the Japanese did not appear to have broken any undertakings or agreements in pursuing the contract.

But he added: "The point about the Bosphorus bridge contract, which I have sought to make both here

and in discussions with Japanese authorities, is that their dumping of cheap credit in order to obtain this contract is incompatible with the assurances and the policies announced by Mr Nakasone, the Japanese Prime Minister, in which the Japanese are seeking to limit their trade surplus.

"This is a matter which is being taken up most forcibly with the Japanese authorities and it is a matter to which, unless they pay attention before very long, other countries will take protectionist measures against them. I hope they will draw back from the position they are in before it is too late."

MPs on both sides of the House were critical of Japanese trading tactics, and of the response by the British Government.

Mr Bryan Gould, a Labour trade spokesman, said the Japanese were pursuing "predatory" trade policies. "British companies seeking major contracts abroad should not be left defenceless against the Japanese and other foreign competitors," he said.

## Olivetti takes closer control over Acorn

BY JASON CRISP

OLIVETTI, the Italian office equipment company, has stepped in to take a more direct control of Acorn, the troubled UK microcomputer group it rescued in February. Olivetti has a 49 per cent stake in Acorn.

Acorn announced yesterday that Mr Alex Ubaldi, a senior Olivetti director, has been appointed as its acting managing director. The move is unusual for Olivetti, which holds minority stakes in a number of high-technology groups and does not normally intervene directly in their management.

It is thought Olivetti has had to

step in at Acorn because of the difficulty in recruiting a managing director from outside, together with a number of pressing problems at the company. The co-founders, Mr Chris Curry and Mr Herman Hauser, who ran the company until the substantially reduced their involvement with the company.

Olivetti bought its stake for £10.4m in February after Acorn ran into serious financial difficulties. Dr Alex Reid, the chairman, was appointed acting chief executive in January and has continued to run the company since the rescue.

## Rothschild named for gas offer

BY DOMINIC LAWSON

N. M. ROTHSCHILD, the merchant bank, is to advise the Government on the privatisation of British Gas. Kleinwort Benson, which handled the successful privatisation of British Telecom earlier this year, is likely to get the job of advising British Gas on its move into the private sector.

Rothschild succeeded against the competition of 15 other banks. Mr Michael Richardson, who will lead the bank's team on the offering, said yesterday: "The British Gas of-

fer will be the most exciting and challenging privatisation of them all."

The bank is at present advising the Ministry of Defence on the privatisation of the Royal Ordnance Factories which supply arms and munitions.

The key to the British Gas offer will be the nature of the regulatory system that the Government sets up to monitor pricing policy once it is in the private sector.

## FIFTH TERMINAL AT HEATHROW RULED OUT FOR TIME BEING

# Airport policy laid down for rest of century

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

STANSTED airport in Essex, north-east of London, is to be developed from its present capacity of about 2m passengers a year to a total of 15m a year, but in a phased manner. The first phase will carry development to between 7m and 8m passengers a year.

That is one of the main decisions emerging from the Government's long-awaited White Paper (policy statement) on airports, issued yesterday.

It also rejects - for the time being - plans for any fifth terminal at Heathrow, London. But the possibility of that will be kept under review.

The White Paper also contains these decisions:

1. No second runway at Gatwick airport, south of London. Proposals for a "commuter runway" will not be pursued.

2. Luton borough council, north of London, will be asked to make proposals to increase its airport's capacity to 5m passengers a year from the present 3m.

3. Manchester airport will be developed as a major regional hub airport, with the possibility of many new direct UK-US services using it.

4. Other regional airports are given little encouragement in the

White Paper. The Government says only that it will be ready to approve capital outlays for expansion and improvements when financially justified.

5. Privatisation of the British Airports Authority (BAA) is to go ahead as a single entity, but with each airport run as a separate company under a single holding company.

6. For other, local authority-owned airports, the Government wants to see as many as possible being transferred to private sector companies.

7. For business aircraft, Farnborough, Hampshire, will be developed by the Ministry of Defence to provide additional capacity. Access to RAF Northolt, north-west London will be facilitated.

8. The London Stansted for short take-off aircraft in London Docklands is to go ahead. It is hoped to find an alternative site for the Triggs Lane City Airport on the Thames.

9. Scottish Highlands and Islands' airports owned and run by the Civil Aviation Authority will be formed into a separate single company.

10. Prestwick, south-west of Glasgow, stays as Scotland's international long-haul airport. The complementary roles of the other Scot-

tish airports will be retained.

The decisions, in the Government's view, amount to a coherent policy for the future development of UK airports, in the light of anticipated traffic demand through to the end of this century.

For the London area, terminal passengers by the year 2000 are expected to reach about 90m, compared with the current total of nearly 50m.

Commenting on the decision to go ahead with Stansted, the White Paper says that the Government agrees with the conclusions by Mr Graham Eyre, the inspector of the public inquiry into Stansted, that it represented the best possible option for future airports serving London.

Accordingly, it has granted outline planning permission for that development to 15m passengers a year.

After the first phase, which will take Stansted to between 7m and 8m passengers a year, the timing and capacity of the further phases of development will depend on the rate of traffic growth.

The BAA estimates the total cost involved at some £400m at mid-1981 prices, although the cost of the first phase will be less.

The Government will invite the BAA to submit for approval invest-

ment proposals for the phased development plan. It will expect the BAA to show that the investment will earn an acceptable rate of return.

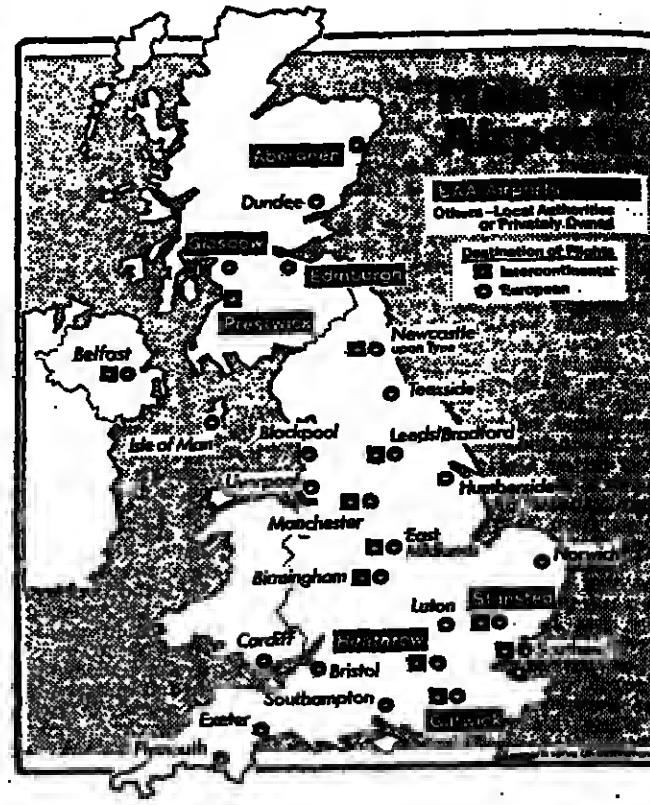
There will be a limit on aircraft movements at the airport set to correspond with the first phase. Later, increases in that limit will be subject to parliamentary approval.

The Government will invite British Rail to study the possibilities of a rail link into Stansted in co-operation with the BAA.

The White Paper recognises that, in time, "increases in demand may justify further development to utilise the full capacity of Stansted's runway (25m passengers a year), but this will be subject to further planning permission and to parliamentary approval for increases in the air transport movements limit."

The Government does not intend that a second main runway should be constructed at Stansted. It believes that the proposed limit on aircraft movements there will provide a valuable safeguard against such a development.

Commenting on Heathrow, the White Paper says the Government does not consider that a fifth terminal is desirable or necessary just yet.



## Flotation boost at Wellcome

By Tony Jackson

WELLCOME FOUNDATION, the privately owned drugs group, has increased its pre-tax profits for the six months to February by 65 per cent from £42.1m to £70.5m. The increase, much larger than expected, is likely to increase the value of the company's stock market flotation planned for next January.

The greater part of the increase came from the U.S., now believed to account for about two thirds of Wellcome's profit. Zovirax, the anti-herpes drug, was made available for the first time in the U.S. in capsule form in February. Previously the drug had been available only as an ointment or as an intravenous treatment.

In addition the Active range of cold cures was made available for the first time in the U.S. across-the-counter, as well as on prescription. Wellcome has devoted much effort to building up its marketing force for over-the-counter sales, and Mr Alfred Sheppard, Wellcome's chairman, said: "In the U.S. we are going to increase our marketing efforts further."

Currency movements added just over £50m to the value of sales.

## Press Council sets out code for financial journalists

BY SUE CAMERON

THE PRESS Council, the body supported by the newspaper industry and which supervises press standards, yesterday dismissed as "undesirable" calls for new regulations to cover the professional conduct of financial journalists.

But it has published a declaration of principle that financial journalists should not use information obtained through their jobs for their own profit. It has also produced a six-point set of voluntary guidelines. It has also warned journalists that they should not do any financial deals they would be ashamed of if their readers found out about them.

The council's declaration and its new, voluntary ethical code follows the Gower report and the Government's White Paper on investor protection. Professor Jim Gower, whose report was published last year, called for financial journalists and writers on tip sheets to be covered by the same regulations as those governing the registration and conduct of professional advisers.

The White Paper, which came out at the start of this year, said tip-sheet publishers should have to be authorised, but that bona fide newspapers should not require authorisation.

The main points in the council's guidelines, drawn up after consultation with editors and press organisations, are:

● Financial journalists should not be bound from owning shares or other securities. The council believes it would not be reasonable to demand a general ban.

● Financial journalists should not write about shares or securities in which they - or their close families - have an interest without first disclosing the interest to their editor or financial editor.

● Journalists should not buy or sell shares or securities - directly or through nominees or agents - if they have recently written about them or intend to write about them in the near future.

● Editors can "release" journalists from this obligation "should unforeseen circumstances arise."

● Financial journalists should not speculate by buying or selling shares or securities on a short-term basis.

● Journalists should never buy or sell shares or securities when they have obtained price-sensitive, unpublished information about them through their jobs. Nor should they pass such information to others.

The council said last night that it had decided against a "rigid national code dealing with the conduct of financial journalists." It felt the variety among newspapers and periodicals plus the differing roles of financial journalists on them, would mean that a rigid code would be unhelpful.

It gave a warning that it would be "ready to deal with complaints from any source that newspapers, periodicals or journalists have acted in breach of the spirit of this declaration or these guidelines." The council added that it might also "initiate inquiries into apparent breaches" even if it had received no complaints from outside.

Prof Gower said he had not yet had a chance to study the guidelines. His immediate personal reaction was that they were "helpful and a step in the right direction." But he added that as "the Press Council has no teeth (statutory authority) we will have to wait and see whether they will do any good."

Journalists on the Financial Times are already subject to a rule on ethical behaviour which is written into their contracts of employment. The rule is that anyone who gains information from their jobs before it is published, or who acts in any way that would jeopardise the FT's reputation for independent and unbiased comment will be regarded as guilty of misconduct and liable to instant dismissal.

Mr Geoffrey Owen, the editor of the FT, last night welcomed the council's declaration. He said it was in line with the FT's own views on what constitutes ethical behaviour. The FT would be adopting the council's guidelines for its own staff.

## Pit overtime ban ends

BY DAVID BRINDLE, LABOUR STAFF

THE PIT supervisors' union Naoods yesterday announced it was calling off its national overtime ban immediately without putting to ballot the National Coal Board's undertakings on colliery closures.

The decision, reached by the Naoods executive after talks at the board's headquarters, angered some union members who believed they had been given a categorical assurance that a fresh ballot would be held.

One regional official said: "I have been preaching this from platforms

when I have been out selling the ban to the membership. We'll want to know the reason why it has been called off without a ballot."

Mr Ken Sampey, the union's president, who had himself said there would be a ballot on calling off the ban, said the executive had decided by a majority to take the decision straight away.

The rules required a ballot only in the case of strikes. Mr Sampey said. In the executive's view, the NCB had met all the points raised by the union.

## MEXPO 85

EXHIBITION WORKSHOPS, SEMINARS ON MEXICAN INDUSTRY, EXPORTS, TOURISM  
JUNE 11-15, 1985, NOVOTEL, HAMMERSMITH

### FREE SEMINARS

- 11 am-1 pm TUESDAY 11th JUNE "TRADE AND INVESTMENT WITH MEXICO".
- 11 am-1 pm WEDNESDAY 12th JUNE "TOURISM".
- 11 am-1 pm FRIDAY 14th JUNE "THE MEXICAN IN BOND PROGRAMME".
- 6 pm THURSDAY 13th JUNE "MEXICAN FASHION SHOW".

PLEASE CONFIRM YOUR ATTENDANCE WITH:  
NICHOLAS ATTIDGE, DAWSON INSTRUMENTS LTD, CAMBRIDGE, TEL: 0223 212414  
LUIS CARRERA, MEXICAN FIRM, THREE WILKINSON, TEL: 01 674 6894

## TWO FOR THE PRICE OF ONE\*

Between Heathrow and Manchester

**DAN-AIR**

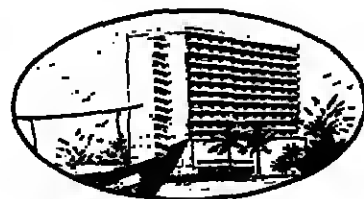
This offer applies to Dan-Air departures during June from Heathrow 0810 and 1900 Manchester 0645 and 1700

Simply purchase a normal adult economy ticket, single or return and your partner goes free. Just book up to one hour before departure time and travel together. For full details call your travel agent or Dan-Air, London 01-680 1011, Manchester 061 436 5555.

**DAN-AIR** SCHEDULED SERVICES

In Bahrain you will find regency elegance and personal service in the heart of Manama.

## HOTEL REGENCY INTER-CONTINENTAL BAHRAIN



THE ADVANTAGE IS INTER-CONTINENTAL  
● INTER-CONTINENTAL HOTELS

P.O. Box 777 Manama, Tel: 0401  
For reservations call your nearest Inter-Continental sales office.  
There are also superb Inter-Continental hotels in Abu Dhabi, Al Ain, Amman, Dubai, Muscat, Riyadh, Tbilisi and over 80 cities around the world.

**GET IT ON TAPE...**

- Briefcase Recorders
- Micro-Mini Recorders
- Telephone Recorders
- Discreet Video Briefcases

**COUNTER SPY SHOP**  
62 South Audley St. London W1  
01-404 0287, 01-629 0223 T: 6814709

**JUST IN CASE!**

**NOTICE OF MANDATORY REDEMPTION**  
National Westminster Bank PLC  
US \$50,000,000 9% Capital Bonds 1986

On May 30, 1985 the serial numbers of bonds drawn by lot for redemption on July 1, 1985 was published. Bond number 2132 was published incorrectly. The correct number should be bond number 3132.

THE CHASE MANHATTAN BANK, N.A.  
Principal Paying Agent  
Dated June 6, 1985

## Peugeot enters British mini-van market

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

PEUGEOT is entering Britain's mini-van market for the first time with a version of its best-selling 205 car.

Citroën, a sister company to Peugeot, and Mazda of Japan are also launching light commercial vehicles. Their appeal will be mainly to owner-operators.

Peugeot 205 vans will be available with both petrol and diesel engines and a choice of two trim levels. They enter a market sector dominated by Austin Rover's Metro van and the Ford Fiesta van.

Peugeot claims that, while priced at about the same level - from £2,849 to £3,445 - the 205 van has a better specification and bigger payload than its rivals.

The French company hopes to sell between 3,000 and 4,000 a year compared with Metro van sales of 5,855 last year and Fiesta van registrations of 4,580.

While the Peugeot 205 van is very much a car with the rear seats tak-

en out and the windows filled in, the Citroën Visa van, while employing the same engines - the French group's 1,124cc petrol or 1.7-litre diesel - has a purpose-built box body built on the back.

As part of its marketing programme, Citroën will sell the vans painted only in red or white and calls them either Van Rouge or Van Blanc.

Mazda is constrained by the limitations on Japanese light commercial shipments to Britain contained in the gentlemen's agreement between the industries of the two countries. It has a light commercial quota of about 3,000 a year.

However, it is taking the opportunity to move its commercial vehicle range up-market by introducing a new pick-up truck to replace the existing B1800. The new B2000 pick-up has more power - from a new 2 litre engine - increased payload and additional load capacity.



# WE'RE THE POWER BEHIND THE SMALLER BUSINESS.

These smaller businesses all have one thing  
in common.

They're going places. Some quickly. Some  
not quite so quickly.

But they're all going places. With a little bit  
of help from us at 3i.

We've always had time and money for the  
man who has the acumen and ambition to build  
a successful business.

He is the kind of man who is prepared to  
stand or fall by his own judgement. Because  
he believes in his ability.

And we have more experience in recognising  
the ability of entrepreneurs than anyone else.

Words? No, action.

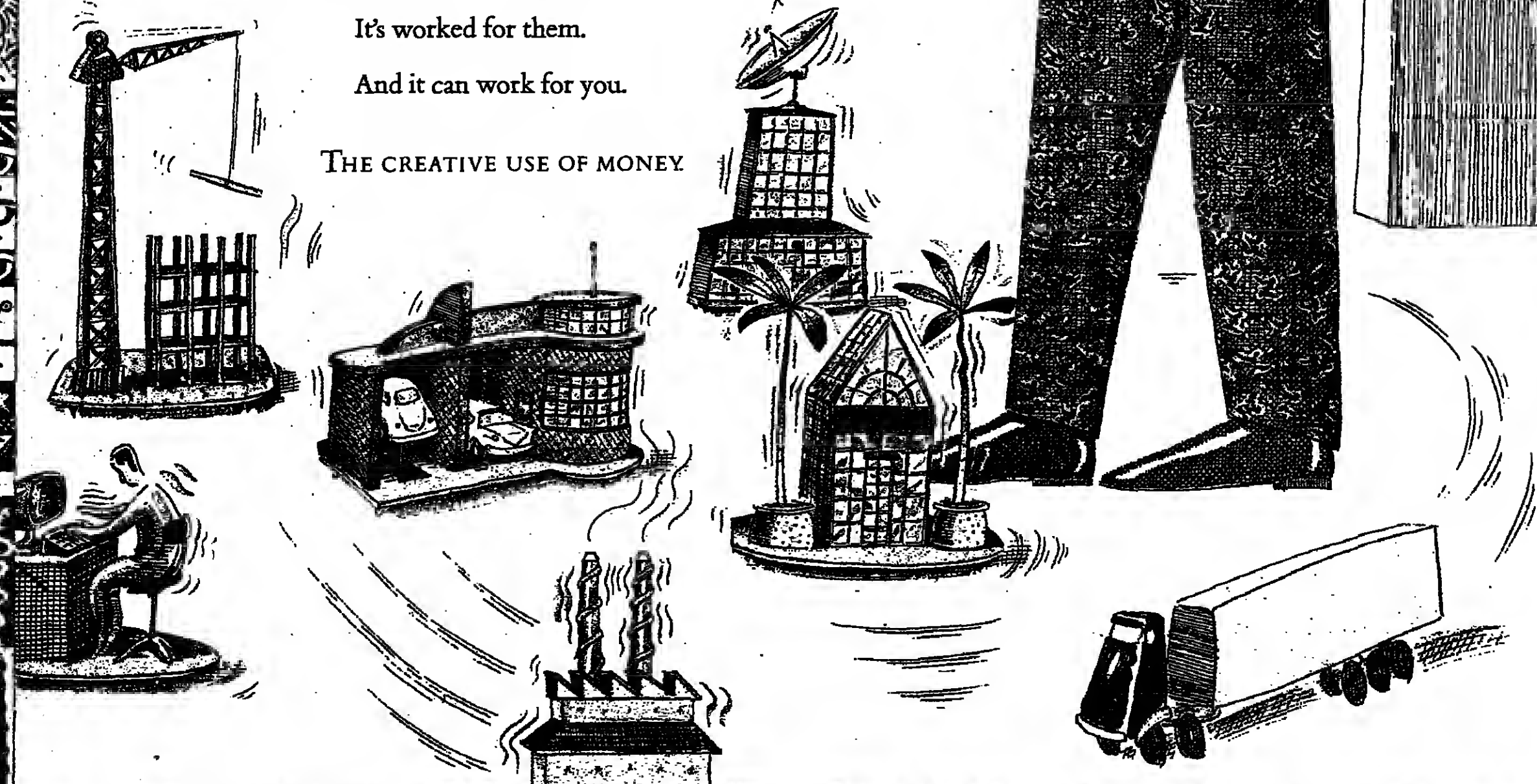
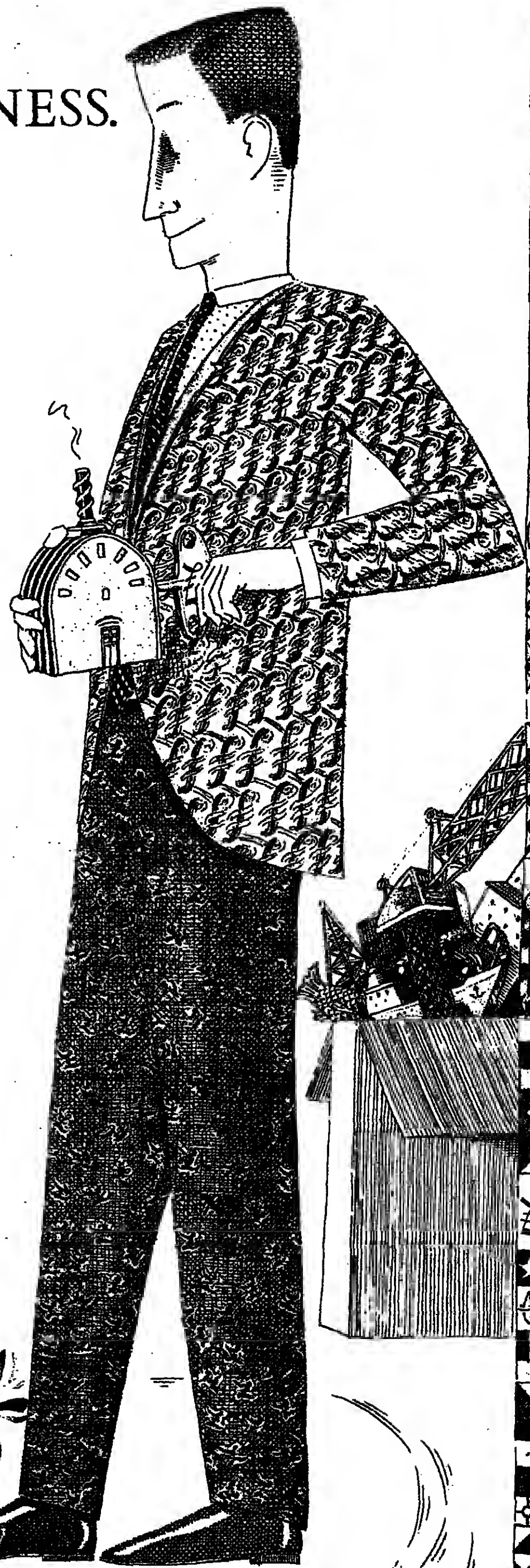
To date, we've backed some eight  
thousand small and medium-sized  
businesses to the tune of more than £1 billion.

Which makes us the largest source of  
venture capital in the world.

It's worked for them.

And it can work for you.

THE CREATIVE USE OF MONEY





## WORLD OIL BUSINESS

## Why Arco is slimming down to its 'crown jewels'

By William Hall in New York



WHAT IS Arco up to? It is a question taxing many rival oil men and Wall Street analysts as they ponder the most dramatic voluntary restructuring yet announced by a major international oil company. At the end of April Atlantic Richfield (Arco), sometimes regarded as the "eighth sister" of the international oil business, unveiled a far-reaching plan to turn itself into a smaller but more profitable company. Wall Street greeted the plan enthusiastically and Arco's share price leapt by close to a quarter in a matter of days. But the plan has puzzled many in the oil industry.

Briefly, the company is writing off \$1.3bn, or virtually all of its earnings this year, to cover the losses on the sale of the bulk of its non-oil operations. It is selling about two-thirds of its service stations and drastically shrinking the size of its downstream operations, cutting back sharply on its oil exploration spending, and axing around 13 per cent of its remaining workforce.

This is the second write-off the company has taken in less than

a year. Last August it wrote off \$785m after tax to cover losses on the sale of most of its Anaconda metals and mining businesses, an ill-fated \$700m acquisition made when oil prices were soaring in the late 1970s. To soften the blow to shareholders, Arco is increasing its annual dividend by a third and buying back close to a third of its shares for \$4bn, transforming itself along the way into one of the most heavily leveraged oil companies in the world. Its debt to capitalisation ratio will jump from 35 per cent to close on 60 per cent.

Everyone in the oil business these days is talking of the need to slim down their operations and "enhance shareholder value." But no major oil company has gone anywhere near so far as Arco has with its plans

to restructure its business. Is Arco trying to protect itself and its giant stake in Alaska's rich oil reserves from an unfriendly corporate predator like Mr T. Boone Pickens, the maverick Texas oil man? Is the company more frightened than its competitors about the downside potential for oil prices?

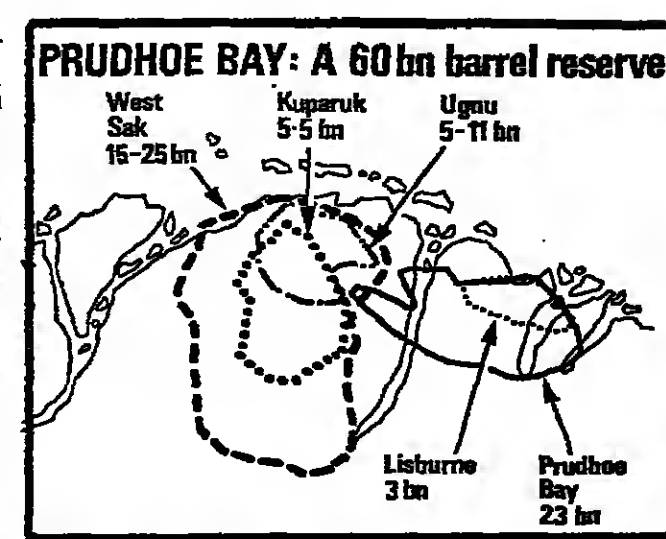
These questions and many more have been going through the minds of observers as they watch one of the more successful and better managed oil companies in the world reposition itself for the next decade.

To listen to Mr Bill Kieschnick, Arco's 62-year-old chief executive explain what he is doing, one could be forgiven for thinking that it was one of Mr Pickens' disciples doing the talking. It is not just the Texas accent. Unlike many oil industry veterans, Mr Kieschnick joined the old Atlantic Refining Company as a chemical engineer in 1947, he admits that the oil industry is over-capitalised and has not faced up adequately to the changed environment in which it finds itself.

"I will readily concede that we are less attractive as a takeover target," notes Mr Kieschnick, but he stresses that if his major objective had been to make his company invulnerable to takeovers he would have designed a very different package. Like many oil men, he feels strongly that Unocal and Phillips Petroleum have had to pay a formidably high price to fight off raids by Mr Pickens. They have been forced to do things they did not want to do and are already being labelled the "walking wounded" by rival oil company executives.

Arco has always had a reputation as a company which has not been afraid to challenge the oil industry's conventional wisdoms. When the giants of the industry had given up hope of finding oil in Alaska, Arco—then a small regional oil company—persevered and in 1968 struck oil at Prudhoe Bay, the largest oil field ever discovered in North America.

A decade later it gambled on being able to transfer its oil and gas expertise into the mining business via the acquisition of Anaconda. When it realised that it had made a mistake it was far



Mr Bill Kieschnick

heavily influenced their thinking about the sort of company which they would like Arco to be.

Under its current financial projections, Arco has assumed that crude prices fell to \$27 a barrel in March 1985 and will remain at this level for the balance of the year. "This compares with a current price of \$27.50 for West Texas Intermediate 40° gravity crude."

The most popular scenario on Wall Street is that the oil price will drop to around \$25 a barrel where it will hold before beginning to rise again. Arco has tested its projections on various price assumptions, including the possibility that the price might drop as low as \$21 in 1987, or \$18 in 1988 dollars.

The second fundamental development which has undermined Arco's earlier steady growth projections has been the imbalance of U.S. monetary and fiscal policy which has resulted in extraordinarily high real interest rates in the U.S. and an overvalued dollar. Mr Bob Anderson, who is sometimes characterised as bringing up "the left wing" of the U.S. oil business, says that the actions Arco announced on April 29 "are in no small sense a response to these problems."

"Many of the operations and plants which we are terminating in the U.S. would be profitable operations almost anywhere else in the world. Something is terribly wrong with current U.S. economic and monetary policies."

"We decided our traditional exploration programme, especially in the U.S. at this particular time was too large to fit the economic realities of

prices," Mr Kieschnick states. Arco accepts it will not be able to match last year's performance when it replaced 17 per cent of its domestic crude oil and natural gas liquids production of 650,000 barrels a day, but it is confident that it can maintain and probably increase its production and 5bn barrel reserve base.

Having accepted that its reduced exploration and production programme was not going to damage the company over the long term, Arco then took the axe to its downstream refining and marketing operations. Unlike most of the U.S. majors, Arco does not subscribe to the industry view that downstream operating margins will recover any time soon.

Consequently, Arco is undertaking an orderly withdrawal from petroleum refining and marketing east of the Mississippi and concentrating on its more profitable West Coast operations, where it has a powerful market position and faces less competition.

The final major repositioning for the company has taken place in its \$3bn a year chemical business. It has sold the bulk of its low margin commodity petrochemical operations and put the remainder, along with its 233,000 barrels-a-day of ethane refinery, into Lyondell Petrochemical, a new company. Arco has written down the assets of the company and hopes that it will develop into a low-cost merchant chemical producer. The rest of the business is concentrated on proprietary technology and specialty chemicals where Arco sees real long-term growth potential.

Mr Kieschnick describes the key elements of the new, slimmer Arco as "crown jewel operations." By eliminating the loss-makers it has reduced the drag on its earnings. This, together with the cuts in exploration, staff and overheads should result in annual cost savings of \$500m.

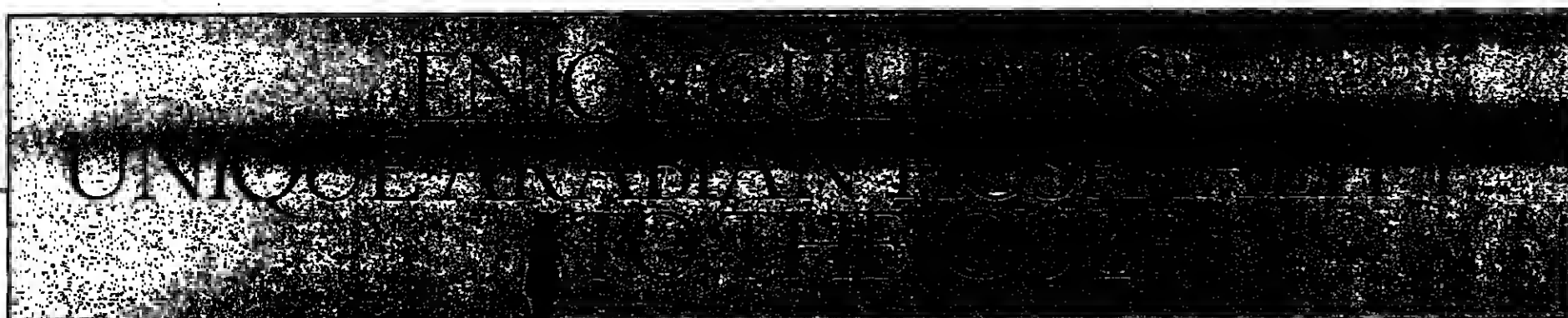
While the cost-cutting is an important part of the new Arco, Mr Kieschnick also stresses intangible benefits such as the changes in the company's character that will follow on from these moves. Any time you have a company which is not burdened with a lot of loss controls, it can face the future more boldly. Each time you have a company with an array of winning operations, success seems to build on itself.

Previous articles in this series appeared on May 23 and June 3.

## THE CHANGING SHAPE OF ATLANTIC RICHFIELD

	1980	1981	1982	1983	1984	1985* (pre-structure)	1985* (post-structure)
Net income (\$m)	1,592	1,631	1,732	1,591	1,129	1,390	1,646
Return on equity (%)	24.4	20.8	18.7	15.3	13.4	—	—
Longterm debt (\$m)	2,830	3,239	3,499	3,543	3,485	3,500	8,700
Cap. spending (\$m)	3,075	3,711	4,216	3,543	3,485	3,585	2,900
Proved oil reserves (billion barrels)	2.6	2.6	2.7	2.5	2.9	—	—

\* 1985 figures are Arco estimates.



Hot, aromatic cardamom coffee – the traditional Arabian welcome to an honoured visitor. And, true to all the traditions of Arabian hospitality, when you fly Gulf Air you fly not as a mere passenger, but as an esteemed guest.

When you fly Gulf Air you'll find its Golden Falcon service second to none from the moment you check-in until you arrive at your destination. Once on-board, no effort is spared to make you feel at home.

Luscious Omani dates, rose petal water, hot scented towels, free newspapers and movies – that's Golden Falcon First Class service.

Whether you choose First Class, new Falcon Business Class or Golden Economy,

you'll find the Golden Falcon service is unbeatable to the Gulf. And that's the Arabian promise.

And now Gulf Air's Golden Falcon TriStars depart daily for the Gulf – 16 flights a week – from London Heathrow.

And when you fly Gulf, stay Gulf. For more information contact your travel agent or Gulf Air, 73 Piccadilly, London W1V 9HF. Telephone: 01-409 1951, Birmingham 021-632 5931, Manchester 061-832 9677/8, Glasgow 041-248 6381 or Key Prestel 223913.

طيران الخليج  
**GULF AIR**  
GOLDEN FALCON SERVICE

THIS NOTICE DOES NOT CONSTITUTE AN OFFER FOR SALE AND THE STOCK DESCRIBED BELOW IS NOT AVAILABLE FOR PURCHASE DIRECT FROM THE BANK OF ENGLAND. OFFICIAL DEALINGS IN THE STOCK ON THE STOCK EXCHANGE ARE EXPECTED TO COMMENCE ON THURSDAY, 6th JUNE 1985.

PARTICULARS OF AN ISSUE OF £900,000,000  
**10 per cent TREASURY STOCK, 2004**

SCHEDULE OF PAYMENTS:  
Amount paid on issue £30.00 per cent  
Amount payable on Monday, 15th July 1985 £66.75 per cent  
INTEREST PAYABLE HALF-YEARLY ON 15th MAY AND 15th NOVEMBER

This Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List. £900,000,000 of the above Stock has been issued to the Bank of England on 4th June 1985 at a price of £94.75 per cent. The amount paid on issue was £30.00 per cent and the amount payable on 15th July 1985 will be £66.75 per cent. The balance of £100,000,000 of the Stock has been reserved for the National Debt Commissioners for public funds under their management. The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.

The Stock will be repaid at par on 15th May 2004. The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one penny, by instrument in writing in accordance with the Stock Transfer Act 1963. Transfers will be free of stamp duty.

Interest will be payable half-yearly on 15th May and 15th November. Income tax will be deducted from payments of more than £5 per annum. Interest warrants will be transmitted by post. The first interest payment will be made on 15th November 1985 at the rate of £5.8004 per £100 of the Stock. Until payment in full has been made and a completed registration form submitted to the Bank of England, the Stock will be represented by letters of allotment.

Payment in full may be made at any time prior to 15th July 1985 but no discount will be allowed on such payment. Interest may be charged on a day-to-day basis on any overdue amount which may be accepted at a rate equal to the London Inter-Bank Offered Rate for seven day deposits sterling ("LIBOR") plus 1 per cent per annum. Such rate will be determined by the Bank of England by reference to market quotations, on the due date for the relevant payment, for LIBOR obtained from such source or sources as the Bank of England shall consider appropriate. Default in due payment of any amount in respect of the Stock will render the allotment of such Stock liable to cancellation and any amount previously paid liable to forfeiture.

Letters of allotment may be split into denominations of multiples of £100 on written request received by the Bank of England, New Issues, Watling Street, London, EC4M 8AA, on any date not later than 11th July 1985. Such requests must be signed and must be accompanied by the letters of allotment. Letters of allotment must be surrendered for registration, accompanied by a completed registration form, when the final instalment is paid, unless payment in full has been made before the due date, in which case instalments must be surrendered for registration not later than 15th July 1985. Copies of this notice may be obtained at the Bank of England, New Issues, Watling Street, London, EC4M 8AA, or at any of the Branches of the Bank of England, or at the Glasgow Agency of the Bank of England, 25 St. Vincent Place, Glasgow, G1 2EB; at the Bank of Ireland, Moyness Buildings, 1st Floor, 20 Callender Street, Belfast, BT1 5BN; at Mullens & Co., 15 Moorgate, London, EC2R 8AN; or at any office of The Stock Exchange in the United Kingdom.

Attention is drawn to the statement issued by Her Majesty's Treasury on 29th May 1985 which explained that, in the interest of the orderly conduct of fiscal policy, neither Her Majesty's Government nor the Bank of England or their respective servants or agents undertake to disclose tax changes decided on but not yet announced, even where they may specifically affect the terms on which, or the conditions under which, this Stock is issued or sold by or on behalf of the Government or the Bank; that no responsibility can therefore be accepted for any omission to make such disclosure; and that such omission shall neither render any transaction liable to be set aside nor give rise to any claim for compensation. BANK OF ENGLAND  
LONDON  
4th June 1985



## UK NEWS

## BNFL DENIES FIVE CHARGES

## Nuclear waste management called 'sloppy'

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

BRITISH Nuclear Fuels (BNFL) was accused yesterday of displaying a haphazard and generally casual style of management in the way it disposed of radioactive nuclear waste from its Sellafield plant in Cumbria, north-west England, in November 1983.

Opening the prosecution of the state-owned BNFL at Carlisle Crown Court, Mrs Helen Grindrod, QC, for the Director of Public Prosecutions, said that those responsible for the disposal of nuclear waste were required by law to act to a very high standard of competence.

"We say BNFL fell short of that," Mrs Grindrod told the jury of eight men and four women.

"Hasty decisions and sloppy management won't do. That is what we say happened in November 1983."

BNFL, which could face unlimited fines if convicted, has pleaded not guilty to two charges under the 1960 Radioactive Substances Act and three under the 1965 Nuclear Installations Act.

It has pleaded guilty to a fourth offence under the 1965 Act concerned with the keeping of records.

Mrs Grindrod emphasised that the case concerned only events in November 1983 when radioactive material was discharged from Sellafield into the Irish Sea, contaminating nearby beaches.

"The issue, she said, was whether BNFL was in breach of controls imposed on it in its management of Sellafield, in particular controls on the movements and disposal of nuclear waste."

The company has pleaded not guilty to:

Discharging highly radioactive matter and liquids into the sea "to such amount and at such a rate that radiation exposure ... was not as reasonably achievable."

Allowing highly radioactive material to enter a transfer pipe to a sea discharge pipeline without ensuring "so far as was reasonably practicable" that there was adequate means of preventing it having to be flushed to sea if it became lodged in the transfer pipe.

Discharging highly radioactive matter and liquids to sea and failing to ensure "that any person in the vicinity of the end of the discharge pipe or using adjacent waters of adjacent beaches" was informed of the fact and of the resulting increased risk of exposure, "thereby failing to take all reasonable steps to minimise the exposure of persons to radiation."

Failing to keep records of radioactive material discharged to the sea.

The company pleaded guilty to a charge of failing to keep adequate records of its operations.

Mrs Grindrod said that during the annual shutdown and cleaning out of the Sellafield plant, non-liquid radioactive waste, which would not normally be discharged into the sea, had got into the wrong place and had been discharged.

Something had gone wrong and in an attempt to recover the situation BNFL had lost control, she claimed.

Staff had been unsure precisely what, and how much, had been discharged. But they had known that something unusual had happened, in which they had put into the sea material that would behave differently from the usual liquid waste-material that attached itself to flotsam and came on to the beach.

Mrs Grindrod said that, although authorised to discharge radioactive waste, BNFL was bound by a condition requiring it to limit discharges so as to ensure that the exposure to radiation was "as low as reasonably achievable" - the so-called "Alara condition."

The Crown alleged that that condition had been breached in November 1983 when the beaches were contaminated.

Mrs Grindrod said that BNFL had not been in a position to fill in the necessary discharge records because it had not known how much had been discharged. There was a dispute about the amount between the company's employees.

The hearing, which is expected to last at least six weeks, continues today.

## Matsushita plans European research lab

BY RAYMOND SNOODY IN OSAKA

MATSUSHITA Electric, the world's largest consumer electronics company, is planning to set up its first European research and development laboratory in the UK.

If the project goes ahead, it is believed that it might be the first substantial research and development (R & D) investment by a Japanese company in Europe.

Matsushita, which this year will spend a total of \$900m on R & D, is already looking for a Briton to run the laboratory. Dr Shigeru Hayakawa, the company's senior managing director for R & D, said he had

asked Matsushita's subsidiary Panasonic UK to find a person of the right quality to lead the operation.

"I am thinking of opening the laboratory in the UK, but the problem is to find a good manager to run that operation," he said.

Dr Hayakawa said he had been considering siting the laboratory in West Germany but now thought that the UK would be the best location.

The Japanese company already has research operations in the U.S. and Taiwan.

The possible areas of research in-

clude new media, such as cable and satellite television, office automation and computer software. Matsushita believes that most of those involved should be British.

"It would be meaningless if we send many people from Japan. If we are to have such a laboratory in the UK I believe that most of the people should be from the UK," Dr Hayakawa said.

Dr Hayakawa also said in an interview that he believed Matsushita had successfully developed the technology that would eventually make possible the manufacture of

three-dimensional integrated circuits of many times the capacity of anything presently feasible.

The Japanese scientist said he believed that the company would be able to put 5-megabit devices - 5m pieces of information on a single chip - into commercial use within three or four years. He believed 16-megabit devices could be produced in five years time.

Such devices, Dr Hayakawa said, could be used to process images for high-definition television pictures and, in the longer term, could produce solid-state tape

recorders the size of a fingertip with no moving parts.

"We think we are ahead but until other companies publish we do not know," said Dr Hayakawa.

The Matsushita research executive said that the company intended to develop its own capacity in computer memory devices. But in other areas of computer technology, such as central processing units, Matsushita was talking with Immos, the Thorn-EMI subsidiary, Philips of the Netherlands and Intel and Motorola of the U.S. about possible future co-operation.

## Union is awarded £1.2m for ballots

By Philip Bassett, Labour Correspondent

THE GOVERNMENT has awarded public funds of £1.2m to the Amalgamated Union of Engineering Workers (AUEW). Britain's second largest union, as reimbursement for the costs of its internal ballots. The move is likely to open fresh divisions over the Trades Union Congress (TUC) blanket opposition to that law.

Acceptance by the AUEW of the money is in clear defiance of TUC policy - the AUEW is the first union to break ranks on the issue - and places the TUC's formal opposition to the law under its most severe strain since its adoption in 1982.

For the Government, the move is an important breakthrough for ministers' hopes that unions will comply with the law. Welcoming it last night, the Department of Employment said: "It marks a step forward in the progress of the Government's wider programme to ensure that trade unionists really do have the opportunity to participate in their union's activities."

Leaders of the AUEW this week received notification from the Government's Certification Officer, who has statutory responsibility for overseeing unions' internal affairs, of his approval of the union's application for funds under the Employment Act 1980.

The approval of funds totalling just under £1.2m covers more than 150 ballots - the majority of them elections of AUEW officials - dating back as far as March 1981. It is by far the largest single approval so far made under the Act, and far outweighs the £196,633 previously spent in total under the first four years of the scheme's operation.

The Certification Officer is also considering a second TUC application, from the electricians' union EETPU, which, like the AUEW, is on the right of the union movement.

The AUEW's application was sanctioned by a membership ballot vote in the union which on a high poll showed 12-1 in favour. Although the application ran into opposition at this year's AUEW annual conference, a second ballot on the issue will cover only the principle, and future applications, and that successful claim will remain unaffected by its outcome.

## LOSS OF 800 JOBS AFTER REJECTION OF UNIONS' PROPOSALS

## British Steel to close Tinsley Park plant

BY IAN RODGER

BRITISH STEEL (BSC) has rejected union proposals for saving the Tinsley Park engineering steel plant in Sheffield, Yorkshire. It is proceeding with its plan to close the plant with the loss of 800 jobs.

BSC, which is state-owned, proposed closing the works in March but gave the unions an opportunity to present alternative proposals.

The unions suggested a political solution, involving reduction of the economy and the introduction of selective import controls, so as to achieve a 25 per cent increase in demand for engineering steels over the next three years.

Engineering steels are used mainly in the motor industry. Demand has slumped in recent years with the decline of the UK motor industry.

Mr John Pennington, managing

director of BSC Special Steels, said yesterday in a letter confirming the closure decision that the prospect of achieving a 25 per cent increase in demand was "remote". No money was available to subsidise Tinsley Park until it happened and the plant's operating costs were about £25m a year.

Moreover, if demand did rise by 25 per cent, the remaining BSC plants could meet it by working 20 shifts a week, instead of the 15 shifts planned when Tinsley Park closes.

Mr Pennington said that protectionist measures "would have to be approached with extreme caution in view of the 2½ ratio of exports to imports in the UK engineering steels sector. In the circumstances, regrettably, the decision has to be taken to close Tinsley Park and

there is no alternative to confirming today the closure proposal."

Mr Roy Bishop, divisional officer of the Iron and Steel Trades Confederation, said: "It's clear that British Steel does not want the ideas examined at the highest level."

BSC hoped the required redundancies could be achieved from volunteers not only at Tinsley Park but also at the nearby Rotherham and Stocksbridge works and the Special Steels Division headquarters in Sheffield.

Tinsley Park is the latest in a long series of closures in the engineering steels sector. In 1981, Dupont closed its Llanelli works in South Wales and BSC closed the London Works and Round Oak Steel Works in the West Midlands. In 1983, Lough closed its Hadfield subsidiary in Sheffield and early

last year V.H. Lloyd closed its Dudley works in the West Midlands.

BSC and Guest Keen and Nettlefolds are the only remaining producers and they are awaiting government approval of a plan to merge their engineering steels businesses.

The Lucas Girling vehicle components group yesterday announced plans to reduce the workforce in its South Wales factories by 700-800 over the next five years to improve competitiveness and secure their long-term future, Robin Reeves writes.

The Welsh component factories, located at Cwmbran and Pontypool, employ nearly 4,000 workers.

Assurances have been given to trade union representatives that there will be no compulsory redundancies.

## Abbey Life offer values group at £504m

BY ERIC SHORT

THE PUBLIC offering of shares in Abbey Life Group, Britain's second largest linked life company, will involve 135m shares at a price of 180p each, valuing the whole group at £504m.

The offer was launched yesterday by S. G. Warburg, the merchant bank, which is arranging the sale of 48.2 per cent of the group for Abbey Life's parent, the US conglomerate IIT.

The parent, which will receive £243m from the sale before expenses, is planning to retain the other 51.8 per cent. The sale was announced by IIT earlier this year as part of a \$1.7bn (£1.38bn) cash-raising exercise.

Abbey Life was founded some 24 years ago by Mr Mark Weinberg, now chairman and chief executive of Hambro Life - the last life company to come to the market and now part of BAT Industries.

It was a pioneer in the selling of linked life assurance - contracts that invest in the units of an underlying fund - in contrast to traditional life products, which offer guaranteed benefits plus bonus additions.

Abbey Life, which suffered during the early 1970s in the period after the departure of Mr Weinberg, has shown considerable growth in new life and pensions business over the past five years. Its new business in 1984 was exceeded only by that of the established life companies, Prudential and Legal and General.

Applications open on Wednesday, June 12, and dealings are scheduled to start on June 19.

IIT took the decision to make a public flotation of Abbey Life, rather than a placing or even a sale to another purchaser, after a feasibility

study by S. G. Warburg, which is handling the offer in conjunction with stockbrokers Rowe and Pitman.

A placing or a single buyer sale would have raised more cash for IIT. In the past few years, there have been a number of life companies sold by their owners, but in each case the sale was to a single purchaser.

Two life companies, Lloyd's Life and Providence Capital, are in the course of changing ownership in such a manner.

The AUEW's application was sanctioned by a membership ballot vote in the union which on a high poll showed 12-1 in favour. Although the application ran into opposition at this year's AUEW annual conference, a second ballot on the issue will cover only the principle, and future applications, and that successful claim will remain unaffected by its outcome.

The AUEW's application was sanctioned by a membership ballot vote in the union which on a high poll showed 12-1 in favour. Although the application ran into opposition at this year's AUEW annual conference, a second ballot on the issue will cover only the principle, and future applications, and that successful claim will remain unaffected by its outcome.

The AUEW's application was sanctioned by a membership ballot vote in the union which on a high poll showed 12-1 in favour. Although the application ran into opposition at this year's AUEW annual conference, a second ballot on the issue will cover only the principle, and future applications, and that successful claim will remain unaffected by its outcome.

## CATCH THE VIDEO.

See Scotland's new business blockbuster on video - free - and discover a stimulating and dynamic business environment.

Growth and expansion are the key concepts in this dramatic presentation of the exciting financial opportunities available to businessmen.

You'll see a highly developed infrastructure serving new growth industries in the high technology revolution: Electronics (in some areas Scotland leads the UK and Europe), biotechnology and health care, the ever expanding service industries and advanced engineering.

All providing the growth-hungry company the means to expand and prosper.

If you're looking for bankable business prospects, catch the video, and catch up on Scotland.

I WANT TO KNOW HOW MY COMPANY CAN SUCCEED IN SCOTLAND. PLEASE SEND ME MY FREE VIDEO CASSETTE ENTITLED 'CATCH UP ON SCOTLAND' I WOULD PREFER VHS - BETAMAX - (PLEASE TICK).

SEND YOUR COUPON TO: SCOTTISH DEVELOPMENT AGENCY ENQUIRY SERVICE, CURZON HOUSE, 20/24 LONSDALE ROAD, LONDON NW6 6RD OR TELEPHONE: 01-200 0200 NOW

NAME \_\_\_\_\_ POSITION \_\_\_\_\_

COMPANY \_\_\_\_\_ ADDRESS \_\_\_\_\_

POSTCODE \_\_\_\_\_

NATURE OF BUSINESS \_\_\_\_\_

SIGNATURE \_\_\_\_\_

CATCH UP ON SCOTLAND



## Dixons Assistant Treasurer

North London c£16,000

Exceptional profit growth and the successful acquisition of Currys has brought the market capitalisation of this dynamic and rapidly expanding group to over £600m.

A graduate is now required at corporate headquarters to assist the Treasurer in the following:

- ★ Foreign Exchange and cash management
- ★ Systems development and profitability analysis
- ★ Bank negotiations and relationships

Aged 24-28, you must be numerate, with a minimum of 2 years relevant treasury experience. Strong communication skills and the ability to absorb a high level of responsibility are essential.

For the right applicant career prospects are excellent and the salary package is negotiable according to experience and capability.

Candidates should write to Andrew Sales, FCCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting reference 261, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

**MP**

**Michael Page Partnership**  
International Recruitment Consultants  
London Bristol Birmingham Manchester Leeds Glasgow  
Brussels New York Sydney

## JOBS COLUMN

# Mysteries of the executive selection trade

BY MICHAEL DIXON

JOB CANDIDATES who see themselves as prepared for anything recruiters might get up to, had perhaps better think again.

Even those who don't turn a hair at being assessed by astrology or body-measurement might well be taken aback by some of the "more obscure" selection dodges listed in a survey report, published today, by the Paul R. Ray International executive search consultancy. They include "Nipp tests," the "Kostick PAPI," and "work assimilations."

As well as sounding menacing, they were complete mysteries to me despite more than 12 years as a commentator on recruiting rituals. Fortunately Ken Miller, of London's Independent Assessment and Research Centre, soon cleared up two of them.

The Kostick PAPI—which stands for "perception and preference inventory"—is a measure of the personality type created by an American called Kostick, the rights to which apparently now belong to PA Management Consultants. As for Nipp tests, any chauvinist who thinks they must have originated in Japan is wrong. They are IQ-style measures developed by Britain's late lamented National Institute of Industrial Psychology, and now in the charge of the National

Foundation for Educational Research. Work assimilations still remained a mystery to Dr Miller and the Jobs Column alike.

Since in my book to assimilate is the same as to absorb, I guessed that they must have been imported from France where "a manager" has long been defined as "a machine for crushing work." I reasoned therefore that work assimilations tests must consist of loading would-be executives with heavier and heavier dollops of work to see how much of it they could take.

(Not altogether humane, perhaps, but surely no worse in principle than the stress interviews perpetrated by some sadistic recruiters.)

Then luckily Bob Worcester of Market Research and Opinion International got back from Copenhagen and telephoned me. It just happens that Mori did the survey work underlying the Paul R. Ray International report which lists the obscure selection dodges.

He explained that "work assimilations" is his name—which he insists is the right one—for the kind of tests that everyone else seems to call work simulations.

The best known example is probably the so-called basket exercise developed by the psychologist Norman Frederiksen. It confronts execu-

tive candidates with a pile of letters, memos, notes on telephone calls and suchlike bunnies, along with an outline of the candidates' supposed role in an imaginary organisation.

The test is how well they cope with the managerial challenge represented by the bits of paper. While some recruiters set great store by the exercise, follow-up research has shown that it is no more than weekly and erratically predictive of executive performance in real life.

So it seems that none of the three menacing-sounding selection tests holds any out of the ordinary fears for hard pressed candidates. But I fear the same cannot be said for another of the listed dodges.

It is to give candidates "several glasses of wine at lunchtime." While I cannot offer advice on how to pass that test—it might well be that preferring water, for instance, would constitute failure—at least readers will be forewarned not to mistake a prospective employer's hospitality for generosity.

But the clearing up of the mysterious selection devices still leaves a number of other mysteries outstanding in the disclosures of Ray International's report, whose main purpose was to find out what employing organisations think about the personal-approach recruitment methods used by exe-

cutive search consultants in general.

As I said, the report is based on research done independently by Mori. The survey covered the personnel chiefs of 141 leading organisations in Britain, including half a dozen banks—which raises a somewhat personal mystery.

Eight weeks ago I reported, on what seemed to me sufficient evidence, that banks in the City of London particularly felt they were not getting a fair deal from the executive search fraternity. I quoted one of the eight City people I consulted as saying:

"Very few of them generate any sort of feeling of being concerned to give value for money. They charge very substantial fees—usually 30 per cent of salary—most if not all of which they claim irrespective of whether they find the right candidate."

The Mori survey found entirely to the contrary. Of the sample of companies as a whole about 80 per cent replied that they were at least fairly satisfied with the service they had received from executive searchers, including all six of the banks.

If any readers with first-hand knowledge of banking matters can offer guidance on which of the two contradictory views is the truer, I'd be grateful to have it.

A further mystery arises from executive searchers' fairly low rate of success in filling the jobs assigned to them. Here the evidence is not just from the Mori survey (copies of which are available free from Ray International's Ian Christians at 58 St James's Street, London SW1A 1LL; telephone 01-408 2229). For it just so happens that Business Development Consultants (International) has also just published a survey of 188 employers' views of executive search.

Mori's findings imply that the headhunters succeed in bringing home the required executive bacon only about half the time. The other survey puts the success rate higher at 62 per cent.

Such less than impressive results surely chime oddly with the evidence that the bulk of the searchers' clients are at least fairly satisfied with the services received. The level of satisfaction indicated by the Business Development Consultants' inquiry is even higher than the Ray report's 80 per cent plus.

Odder still is that only a minority of the samples of either survey—21 per cent of BDC's but only 8 per cent of the other—seemed seriously concerned about the executive searchers' charges. These, as we know, often amount to about a third of the first year's salary

for the job in question, at least some of which is payable even if the post is not filled.

That contrasts sharply with the charges of concern specialists in finding top-grade secretaries, which seem to range between 15 and 18 per cent of salary all in, payable only if the right recruit is found.

I find it hard to see how searching out talented executives can be so much more difficult than finding first-rate secretaries, many of whom are largely employed in all but name as the personal manager to their so-called boss. Perhaps employing organisations should start asking why what they get from a top secretarial agency for 15 per cent should cost twice as much from some headhunters.

### £1m sellers

TWO PEOPLE with proven success in selling management consultancy services to the tune of £1m a year are wanted by the P.E. Consulting Group, which is now preparing to go to the Unlisted Securities Market. Salary indicator is £20,000 upwards plus bonus on results and perks including a car.

Inquiries to P.E.'s David Sears at Foxglove House, 166 Piccadilly, London W1V 9DE; telephone 01-408 2669.

## Fund Manager

UK FIXED INTEREST MARKETS

A major pension fund management group wishes to appoint a Manager in its London head office. The firm has very substantial funds under management, a significant proportion of which is invested in the UK fixed interest market. Funds are rapidly growing and the firm has an excellent reputation.

The successful candidate will have responsibility for the discretionary management of part of the funds invested in the gilt edged and sterling fixed interest markets.

This is a key appointment. Our client seeks an individual aged 25 to 30 with an exceptional flair for fixed interest fund management combined with the ability to work effectively with both clients and colleagues. High quality investment performance is needed.

A valuable compensation package with profit sharing and bonus schemes is offered. The long term opportunities will be excellent.

Please reply in confidence to:

Box FT/918, St. James's House, 4/7 Red Lion Court, Fleet Street, London EC4A 3EB.

## MANAGEMENT CONSULTANT

London c.£25,000 + car

We have an exceptional opportunity for an experienced management consultant to join the expanding, professional consultancy arm of an established group of companies.

The successful applicant will be mature, possess a degree or professional qualification and have at least two years recent management consultancy experience. Your record must indicate a variety of completed assignments including projects for the financial sector.

The salary offered will reflect the contribution you can make to new and existing clients. There is considerable scope for personal development, career progression and increased rewards.

If you are confident that you can make a contribution to our continued success, please send a comprehensive career résumé to K. S. Ball.

**D S MANAGEMENT CONSULTANTS LIMITED**

17-19 REDCROSS WAY, LONDON SE1 1TA  
TELEPHONE 01-403 6774

## ARE YOU WINNING IN THE JOB MARKET?

We have a programme that will help you get the right new job FAST. It produces outstanding results for our Clients. Telephone for a free, confidential appointment—or send us your cv.

**CHUSID**  
The Professionals in Career Development  
London 01-580 6771, 35-37 Piccadilly St., W1P 5AF.  
Bristol 0122 22267, Plaza House, 78 Queen's Rd., BS3 1QP.  
Birmingham 021-632 5085, 14 Corporation St., B3 4BA.  
Manchester 061-228 0089, Sunley Building, Piccadilly Plaza.

## Major Investment Company

# Pension Fund Manager

Our Client, a leading Accepting House, seeks an outstanding additional Fund Manager for their Pension Fund Division. They hope to appoint a graduate with a research background in his/her late twenties or early thirties, capable of making a very positive and immediate contribution both in terms of investment management, and allied research.

The performance of Funds under management is our Client's top priority, therefore applicants should be able to demonstrate a successful track record in Fund Management, together with the high degree of communication skills necessary to liaise with existing and potential clients.

The remuneration offered will be competitive and negotiable according to age and experience and will include the usual merchant banking-type benefits.

Please reply in the first instance to Keith Fisher, quoting Ref. 654, at Overton Shirley & Barry, Prince Rupert House, 64 Queen's Street, London EC4A 1AD. Telephone: 01-248 0355.

**Overton Shirley & Barry**  
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

## Pensions Manager Halifax Building Society

c£30,000 + car + benefits

The Halifax is recognised as the world's number one Building Society, with a nationwide network of branches and total employees approaching 11,000. Alongside the substantial growth of the society, the staff pension fund has also increased in value, by 400% in five years, and is now approaching £200 million.

To manage and have overall responsibility for the pension fund investment portfolio, they currently seek an experienced Pensions Manager. In addition to portfolio responsibilities, the successful candidate will be responsible for recommending concepts to the Investment Committee and Trustees, managing a small department and continually developing his or her awareness of fund management and the various investment markets.

Candidates should have a minimum of 5 years senior managerial experience in investment management covering significant sized portfolios.

The position will be based at the Head Office in Halifax and in addition to a salary around the indicator shown, benefits will include company car, subsidised mortgage, BUPA and a full relocation package (if appropriate).

Candidates should apply in confidence with a full CV and quoting reference MCS 8052 to:

Alannah Hunt,  
Executive Selection Division,  
Price Waterhouse, Southwark Towers,  
32, London Bridge Street, London SE1 9SY.

**Price Waterhouse**  
Business Needs Experts

As part of the expansion of our activities in London, AIBD wishes to fill the following senior positions.

### A SYSTEMS MANAGER

required to accept responsibility for the successful installation and running of a DEC VAX system, together with the scheduling and production of time critical services. The successful candidate should have at least 7 years D.P. experience and should be capable of making significant contributions to the future development of AIBD's computer services.

### A DATA MANAGER

to organize and accept responsibility for the entire data gathering function which is essential to the production of the Association's various services. He/she will also be expected to contribute to the evolution of our services to meet the changing needs of the market.

Remuneration will be competitive and related to experience. It is expected that a car, together with health insurance and non-contributory pension scheme will be included. Applications, which will be treated in the strictest confidence should be made to Royston Lambert at:

**AIBD**

The Association of International Band Dealers  
International House  
1 St. Katharine's Way  
LONDON E1 9UN



## Continuing the T'ang dynasty tradition!

The first paper money was a Chinese innovation dating from the T'ang dynasty and, along with fireworks, was one of their many original and ingenious inventions. Twentieth-century finance has since developed far beyond the limitations of paper notes, but these same qualities of originality and ingenuity are the ones PA applies today in its work in financial institutions.

This sector, particularly retail financial services, is the fastest growing market for our expanding management consulting practice in the UK. We help banks, insurance companies and building societies to find innovative ways to improve profitability... win competitive advantage... sharpen marketing strategy... grow assets... reduce costs... and improve management effectiveness.

## Principal Consultant Banking, Insurance and Finance Sector c.£30,000 + benefits

Part of our multidisciplinary, London-based team, you will be active in marketing, project team-leading and product development, working mainly with clients in the UK. The environment is intellectually stimulating, creative, and broadens career horizons.

A high-calibre professional, aged 30-37, you should already be on a fast-track career, probably with a financial institution or in consultancy. A good degree is required, but your precise technical or management discipline is less important than the ability to operate effectively and flexibly at a senior level with a diverse range of clients.

A more detailed position profile is available on request. Please send a brief cv, in confidence, or telephone Gary Gibbons, Banking and Finance Group, Ref: QM54/9324/FT, PA Personnel Services, Hyde Park House, 60a Knightsbridge, London SW1V 7LE. Telephone: 01-235 6600.

**PA**

PA Management Consultants

## Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

## Credit Analyst

### Far East Travel

City. & negotiable plus Benefits Package

This is an opportunity to join a young and fast growing financial institution, being part of a major U.S. corporation, and to play a key role in the future development of the company, enjoying the career prospects that this will bring.

Our client is a worldwide Trade Financing Organisation providing a full range of banking services which include commodity-linked finance and project finance.

The successful candidate will take responsibility for the analysis of Asian financial and Trade Finance related risks and this will incorporate travel to Hong Kong, Tokyo and S.E. Asia.

Applicants will ideally be graduates with several years credit analysis experience within the Far Eastern sector. Knowledge of a relevant language would be ideal.

R. Knox, Ref: 218/FT. Male or female candidates should telephone in confidence for a Personal History Form 01-628 4200 Ext. 286/7/8. City Division, International Business Centre, 2 London Wall Buildings, London Wall, LONDON, EC2M 5PP.



## FUTURES/HEDGING SPECIALIST

### Leading UK Merchant Bank Expanding its Treasury Operations

Our client is a leading British Merchant Bank with substantial international operations. Capitalising upon their strong trading position and prestigious name, they wish to become more reactive in the international money markets.

You will have the responsibility of establishing a central hedging and arbitrage service to be developed into a profit centre. Applying knowledge of futures markets, it is likely that you will work in several financial areas such as money market instruments, bonds, and swaps, as well as foreign currencies.

You will need to have up to date and in-depth knowledge of a City based futures operation, not necessarily from banking, with a keen interest in the financial markets. Age indication 25-35. Remuneration up to c. £20,000 pa.

Your name will not be released until we have briefed you and you have given your consent. Please write to me, Robin McWilliams, Consultant to the Bank.

Business Development Consultants (International) Ltd  
63 Mansell Street, London E1 8AN.



**MIKE POPE AND  
DAVID PATTEN PARTNERSHIP**  
Bank Recruitment Consultants  
Senior Manager Bank  
Relations (AGM) (40+) to £26,000  
Senior Lending Managers  
(with Spanish) (27-35) to £20,000  
Admin. Manager (Personnel  
and Finance) (35-45) to £20,000  
Spot Dealer (3 years' exp.  
main currencies) £800  
Personnel Officer  
(Recruitment) (25-32) to £17,000  
Senior Loans Administrator  
(20-45) to £16,000  
Personal Officer (all  
aspects) (22-35) to £15,000  
Graduate Credit Analysts to £15,000  
Contact: Mike Pope or David Patten  
2nd Floor Bank Chambers  
214 Bishopsgate, London EC2M 4PX  
Tel: 01-247 0053

### FUND RAISER

An imaginative talent sought for a small expanding multi-cultural international centre. Should attract a senior person residing in the West Midlands. Part-time term in first instance.

Ring 021-472 0139  
Dr Mary Hall  
for details

### BANKING

Bankers with marketing experience, age 27-35, salary neg. Also young graduates, languages useful.  
Tel: Mrs Lee  
01-409 1219  
Fair Recruitment Ltd

# CJA

## RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH  
Tel: 01-588 3588 or 01-588 3576  
Telex No. 887374 Fax No. 01-638 9216

Recently established City based U.K. Financial Institution offering a range of Merchant Banking services has the following vacancies



## SENIOR MARKETING EXECUTIVE BANKING -- ITALIAN SPEAKING

### LONDON BASED

£25,000-£45,000 + CAR

This vacancy is open to Bankers, aged 28-35, who have acquired at least 5 years banking marketing experience with an established Italian corporate client base, and who have two years practical experience in putting together loans, particularly in the Italian market. Reporting will be to the Head of Corporate Finance and responsibilities will cover the provision of largely trade finance, to include forfeiting, to Italian corporate and prospective corporate clients. This will involve generating business through identifying the client, constructing the most appropriate finance package and taking the deal through to completion. Up to 40% of time will be spent in Italy. The successful applicant must be able to move to the position of Head of Marketing for Italy and assist in start-up situations in other European countries. \*Applications under reference SMEB16775/FT.

N.B. A further similar vacancy exists for a Marketing Executive, aged 25-30, with 2½ years experience, to cover marketing in the U.K. to Corporate clients. Up to 40% of time will be spent in the field. Knowledge of forfeiting is important. Prospects to move to a senior position elsewhere in Europe. \*Applications under reference ME16776/FT.

## MONEY MARKET DEALER

### LONDON

£25,000-£45,000

We invite applications from Money Market Dealers, aged 25-35, with at least 5 years experience. As part of a team of 4, the successful applicant will be responsible for funding corporate lending, running the money market books, trading F.R.N.'s, C.D.'s and financial futures. \*Applications under reference MMD16777/FT.

## JUNIOR SPOT FX DEALER

### LONDON

£18,000-£24,000

Applications are invited from dealers, with 1-2 years experience, aged 24-28. As part of a team of 4, the successful candidate will act as assistant to the Senior Spot Dealer and be responsible for making prices in U.S. Dollars and leading European currencies in spot and forward markets. \*Applications under reference JSF16778/FT.

## CREDIT ANALYST

### LONDON

£14,000-£16,000

Applications are invited from Credit Analysts, aged 22-26, who have acquired at least 12 months credit analyst experience within banking. As part of a small analysis team, the successful applicant will be responsible for analysing U.K. and Italian companies and assessing their borrowing requirements. This will involve identifying the requirement, structuring, agreeing the loan, its documentation and seeing proposals through to completion. A high level of autonomy will be vested in the appointee who will be expected to develop the team further. Knowledge of E.C.G.D. or SACE is important, as is a knowledge of macro economics in looking at country, political and risk exposures. \*Applications under reference CA 16779/FT.

In addition to the above salaries, fringe benefits include non contributory pension, free life assurance, free family B.U.P.A. and assistance with removal expenses if necessary, and subsidised mortgage facility.

\*Applications in strict confidence under the appropriate reference above, will be forwarded unopened to our client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

## Credit Management Marine Fuels and Lubricants A key role in a global business

BP Marine International is a major supplier of fuels and lubricants to ship operators world-wide. It is part of BP Oil International Limited.

As part of the small credit management team, your role will be critical to the success of the business. It will involve assisting in providing a credit management service for our marine businesses by advising sales units in the UK, and associated companies and sales agents overseas, on the application of credit policy and procedures; following up delinquent accounts and negotiating repayment; and assessing the creditworthiness of existing and prospective customers. Candidates must have at least 5 years' experience

either in credit management, ideally with an oil major, or in banking, preferably with some knowledge of the shipping world. A qualification to degree level or membership of the Institute of Credit Management by examination is required.

Salary is negotiable and excellent benefits include non-contributory pension and assistance with re-location costs, where appropriate.

Please write or telephone for an application form, quoting ref. B.233, to: Susan Stolar, Recruitment Branch, The British Petroleum Company p.l.c., Britannic House, Moor Lane, London EC2Y 9BU. Tel: 01-920 3484.

BP is an equal opportunity employer.



**BP Oil International Limited**

## A development role in investment analysis

c.£14,250 pa

West London

Imperial Inns & Taverns thriving business is built upon the successful management of a national network of pubs and the development of exciting new catering concepts within them.

We need a specialist investment analyst to advise on capital development within our Taverns division. The individual we seek must be an accomplished, fully qualified accountant. Your job will be to prepare investment proposals for capital developments under consideration by Regional General Management, investigating and advising on the viability and potential of each project, and assisting in the presentation of chosen options to senior line management. Your responsibilities will include implementation of post audit appraisals for approved projects, and you will be expected to have strong analytical skills and man-management ability, for assessing and presenting returns of proposed and accepted projects.

Personality is particularly important in this job which demands a vigorous, ambitious individual with well-developed communication skills and the ability to take advantage of considerable career prospects in our growing business.

A salary of around £14,250, negotiable according to experience, will be offered, with a full range of attractive large company benefits as you would expect.

Please write with a comprehensive c.v. to Mr M. de Coverly, Resourcing Manager, Imperial Inns & Taverns Limited, Thameside House, 42-50 High Street, Brentford, Middlesex TW8 0BB.



**IMPERIAL INNS & TAVERNS**

## CREDIT MANAGEMENT

North London

United Dominions Trust Limited is one of Britain's major finance houses and a member of the TSB Group. We currently have a vacancy for a senior executive in our credit function.

The prime aspects of the role are the control, analysis and review of credit proposals for a variety of commercial lending facilities as well as providing professional advice on credit matters to line management and assisting in the training of their staff.

Candidates, likely to be in the age range 28-40, should be of graduate calibre and/or professionally qualified eg AIB, PhD. They

should have broad experience in the consideration of lending proposals to enable them to work with a minimum of guidance and supervision.

We will provide a highly competitive salary, and benefits including mortgage subsidy and free pension and life assurance.

To apply, please telephone 01-440 8383 ext 2060 for an application form or send a full cv, quoting current remuneration to: Glenn Connell, Personnel Officer, United Dominions Trust Limited, Endeavour House, 1 Lyonsdown Road, New Barnet, Herts EN5 1HL.



**United Dominions Trust**  
A member of the **TSB GROUP**

## Significant Opportunities within FX Markets Expanding operations - City

Merrill Lynch International Bank is expanding its Foreign Exchange Brokerage Unit in London. The Unit provides a much respected service to major institutions throughout Europe, including 24-hour trading in world markets, investment advice and long-term assessments.

As part of this expansion, there are now vacancies for creatively orientated professionals who see their future in a fast-moving, pro-active role backed by on-going research, market analysis and financial expertise. We would like to hear therefore from:

- experienced Dealers/Brokers with a considerable background in international currency operations;
- ambitious professionals with some 2-4 years trading experience within financial futures or foreign exchange;
- and also from suitably qualified young graduates who wish to learn, and make their mark in the business.

Multi-lingual skills would be an advantage at all levels of appointment. Highly competitive incentive orientated compensation is offered, reflecting performance in a highly successful operation.

Please write, enclosing career details to:- Keith Robinson, Recruitment Manager, Merrill Lynch Europe Ltd, 27 Finsbury Square, London EC2A 1AQ.



**Merrill Lynch**

## FX DEALERS

As a result of the planned expansion of its FX dealing activities, Bank of America is seeking a small number of experienced spot and forward dealers to add further strength to its existing team.

In addition to a proven record of profitability, candidates must have a high market reputation and a keen interest to contribute to the growth of one of the City's most active dealing rooms.

Opportunities for further career development are excellent and competitive salaries will be augmented by an attractive package of fringe benefits in line with best banking practice.

Write, with full personal, career and salary details to: A. J. Tucker, Area Personnel Manager, Bank of America, 25 Cannon Street, London EC4P 4HN.



**Bank of America**

## Executive Job Hunters!

£20,000 p.a. + +

FACT: There are more executives seeking top jobs than there are jobs available.

PROBLEM: How to secure a new position easily and confidentially.

SOLUTION: Ask experienced professionals to help you. We advise on your career options, design a personal marketing plan, and work with you in team work to locate your next appointment.

London is the executive recruitment centre for the English speaking world. Through our network of contacts, information systems and technology, over 80% of our clients have identified unadvertised vacancies.

We charge you fees for our work — it could be the best investment you ever make.

Contact us today. An initial meeting is free.

Expatriates enquire about our

EXPAT EXECUTIVE SERVICE.

**Connaught**

Executive Management Services Ltd,  
32, Savile Row, London W1 01-734 3879

## FOREX APPOINTMENTS

For Foreign Exchange and Money Market appointments at all levels consult a specialist

TERENCE STEPHENSON  
Prince Rupert House, 8-10 College Hill, London EC4R 1AS - Tel: 01-248 0283  
20 years market experience



## Amsterdam-Rotterdam Bank N.V. London Branch Zoekt een Hoofd Afdeling Account Services

**Salarisindicatie: v.a. £12,000 afhankelijk van leeftijd en ervaring plus emolumenten.**  
leeftijd bij voorkeur 28-35 jaar.

Het Kantoor Londen van onze Bank zoekt voor deze functie iemand met een ruime bankervaring en kennis van het Nederlandse en Engelse bankstelsel, lokaal zowel als internationaal.  
Dit houdt bij voorkeur in: kennis van het Internationale betalingsverkeer en inkassatie, basiskennis van valutatransacties en Documentaire Akkreditieven, en goede bekendheid met de procedures inzake het voeren van rekeningen voor Nederlandse en Engelse bedrijven.  
De succesvolle kandidaat zal verantwoordelijk zijn voor de dagelijkse leiding van de afdeling Account Services en direct contacten onderhouden met de cliënten van de Bank. Een goede communicatieve vaardigheid zowel in het Engels als het Nederlands is derhalve van essentieel belang.  
Indien u de ambitie heeft uw eigen afdeling te leiden, en de energie en het enthousiasme kunt opbrengen een daadwerkelijke bijdrage aan ons bedrijf te leveren, verzoeken wij u schriftelijk (in het Engels) te reflecteren, onder bijsluiting van een volledig curriculum vitae, aan:

Mr. John Parker, Head of Personnel, Amsterdam-Rotterdam Bank N.V. 101 Moorgate, LONDON EC2M 6SB

**amro bank**  
amsterdam-rotterdam bank nv

## BADENOCH & CLARK

### STOCKBROKING INSTITUTIONAL SALES To £25,000

Several of our clients, some of the most prestigious stockbroking names in the City, have requirements for talented young Sales Executives to join their successful and expanding teams.  
Interested applicants will have gained two years experience with a recognised firm either in sales or possibly in research, and should have the character and ambition to further their career in a more dynamic environment. There are positions available both for Generalists and for those who have and wish to maintain sectoral responsibilities. There are requirements on both UK and International desks.  
These positions can offer both attractive career prospects and remuneration to the right candidate.

### ACCOUNT OFFICER c.£17,000 + Bens

Our client, a major Accepting house well placed to expand, is seeking a high calibre lending officer to supplement a team in its Banking Division.

The successful candidate will be a graduate in his/her mid-twenties with two years experience of Corporate Banking, gained either in a Merchant Bank or possibly in a prestigious International Bank. You will be able to display a strong credit background and a facility with loan documentation, and you should wish to develop your marketing flair in this progressive organisation.

If you would like to discuss these positions further please contact Christopher Lawless or Stuart Clifford.

Financial Recruitment Specialists  
16-18 New Bridge St. London EC4V 6AU  
Telephone 01-583 0073

### ACCOUNTANT £16,000 neg

Due to the integration of this Major Merchant Bank and Stockbroker, a career opportunity has arisen for Qualified or Part-qualified Accountants. You will be involved in setting up a new securities company with the emphasis on Management and Financial Accounts together with the development of Controls and Procedures. Age 25/30 + mortgage + bonus.

### RESEARCH ANALYST £15,000

Prestigious Merchant Bank seeks a graduate with approximately 2 years research or analysis experience from a bank, broker or insurance company to join their international investment team. Working on international portfolio you will be expected to research and assess new business and market to multinational clients.

### TRAINEE MARKETING OFFICER £13,000

Major Merchant Bank requires an ambitious Graduate with around 18 months corporate credit analysis experience. Working on international portfolio you will be expected to research and assess new business and market to multinational clients.

## PORTMAN RECRUITMENT SERVICES

## SALES MANAGERS

A finance house specialising in consumer credit, particularly in credit cards for the retail market, seeks to recruit three sales managers.

Successful candidates must have had at least 10 years' wide experience of instalment credit, be knowledgeable, articulate and dynamic in their ability to seek new business. It is essential they are self-motivated and enjoy the challenge of selling in a highly competitive environment.

These posts offer a basic commencing salary of c. £15,000 p.a., a performance-related bonus, car and other benefits.

Candidates, who will be aged 35/45, should write in confidence to:

THE MANAGING DIRECTOR  
CLUB 24 LIMITED  
Claypit Lane, Leeds LS2 8DY

A leading (Saudi Arabian) financial institution in the City requires

## SENIOR CREDIT ANALYST

for its Credit Department. The ideal candidate will have 3-4 years' experience in the assessment of corporate, bank and sovereign risk gained in a professional and preferably U.S. international banking environment. He or she will be responsible for assessing the finest quality risks with emphasis on trade-related business. Borrowers cover a wide range of industries and banks worldwide.

An excellent package of benefits is offered with salary commensurate with experience.

Please write enclosing CV to Box A9030, Financial Times  
10 Connaught Street, London EC4P 4BY

## DISTRICT GENERAL MANAGER

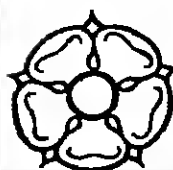
### BRADFORD HEALTH AUTHORITY

This is the principal post in the Authority which serves a largely urban community in West Yorkshire with a population of 336,000 and an annual budget of £58m.

Management responsibility will be to the Authority for the effective deployment of available resources in support of health and patient care; for implementing its policies and for its financial performance.

Essential requirements are: a proven record of general management success in a large organisation involving control of a substantial annual budget, high qualities of dynamic leadership, and the ability to implement plans, initiate change, motivate others and command the respect of multi-professional colleagues.

Salary and conditions of service will be commensurate with experience.



Yorkshire  
Health  
Region

Detailed applications marked  
'In Confidence - District General Manager  
Appointment' to the Chairman:  
County Councillor J Royston-Moore CBE,  
Bradford Health Authority, Daisy Bank,  
108 Duckworth Lane, Bradford,  
West Yorkshire BD9 5RL by 21st June 1985.

## Investment Manager

### Personal Portfolio Management

Dunbar and Company Limited, part of the highly successful Allied Hambro Group, was established 15 years ago to provide a specialist range of private banking services. Over the last decade, both our Banking and Investment Management divisions have grown substantially and an unbroken record of profit has been achieved.

We are now looking for an Investment Manager to join Dunbar Fund Management, which specialises in investment management for private individuals and institutional funds.

Working as part of a highly successful team reporting to the Managing Director, you will have full responsibility for managing a portfolio of clients on both the UK and International desks. You will be developing new business opportunities and providing the company's services to potential clients.

Successful candidates will probably be in their thirties with at least 10 years' experience in a fund management company or in a related role such as stockbroker, merchant bank, or insurance company. You should have a sound financial background, be commercially aware with an enthusiasm for the job, and able to show considerable initiative. Highly developed communication skills are vital to this role.

In addition to a competitive salary dependent on experience, we offer a comprehensive pension scheme, a contributory pension scheme, and a profit sharing scheme.

If you are looking for an opportunity with excellent prospects for career progression, please write in strictest confidence, enclosing a detailed CV to Lesley Holmes, Group Personnel Officer, Allied Hambro Financial Management, 9-15 Sackville Street, Piccadilly, London W1, or telephone her on 01-437 7844 for an application form and further information.

*Share in our success*

**ALLIED HAMBRO**  
THE FINANCIAL MANAGEMENT GROUP

## Business Systems Analysts

### City

Our client, a major international organisation, has recently introduced IBM System 38 into its operations and developed revised information and control systems. This change has resulted in the need to recruit a number of experienced business analysts.

These important positions will be concerned with the assessment and analysis of business work flows, the identification of data entities, and their consequent inter-relationships and relevance to broader corporate strategies. Preferably aged 28-38, candidates should have several years' - preferably post-graduate - experience in Management Accounting, Operational Research or Production Planning. A background of computer analysis and design is essential, and a knowledge of the IBM System 38 architecture and related techniques would be an advantage.

An excellent remuneration package will reflect both experience and the level of the appointment. Benefits are those appropriate to an international organisation and include non-contributory pension scheme.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. M. Hordern ref. B.2039.

These appointments are open to men and women.

HAY-MSL Selection and Advertising Limited,  
52 Grosvenor Gardens, London SW1W 0AW.  
Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

**HAY-MSL**

CONFIDENTIAL ADVERTISING

## Buckmaster & Moore Stockbroking in The Isle of Man

If you are concerned with the changes taking place in stockbroking and are considering the possibility of moving to a firm whose future is assured, we invite you to contact us.

We are looking for individuals or groups to join our rapidly expanding firm in the Isle of Man. Your own client base would be considered an advantage, and could easily be serviced from the Island.

There is no age restriction and senior individuals are encouraged to respond.

All usual benefits also include an attractive living and working environment and the benefits of low taxation.

Please write in the strictest confidence enclosing a full C.V. to R. L. Margot (Partner),

**b m**

Buckmaster & Moore,  
Members of The Stock Exchange,  
3 Athol Street, Douglas, Isle of Man.

## Electronic Banking Marketing Officer

c. £18,000 + car

The Chase Manhattan Bank is a world leader in the provision of Electronic Banking. Currently we are looking for a Marketing Officer to augment the UK team responsible for marketing our services to premier UK corporations and institutions. Working with bank relationship managers and operations teams, you will present the Chase range of electronic-accessed banking services to customers. This is a highly interesting role and one in which you will often find yourself supporting the introduction of new Chase technologies and products.

Other aspects of the work include assisting in the production of marketing plans, and in meeting training needs, identifying market and product development requirements and contributing to all other activities which help to maximise the sale of our products.

Experience of domestic or international cash management gained in a banking or financial service environment would be a real asset though considerably more vital is the potential and motivation to succeed in a challenging field. Certainly you should possess excellent interpersonal and communication skills, and be a talented negotiator who relishes responsibility.

In addition to an excellent salary commensurate with your experience, we offer the full range of benefits you would normally expect from a major international bank, including preferential mortgage, personal loans, a non-contributory pension scheme, free medical insurance and bonus.

To apply, please write to Shirley Caine, Human Resources,  
The Chase Manhattan Bank, N.A.,  
Woolgate House, Coleman Street,  
London EC2P 2HD.



**CHASE**

## Tax Manager

London

up to £25,000 + car

Marks & Spencer has a record of real growth few other companies can equal. We have now extended our operations to more than 260 stores in the UK and a profitable presence overseas.

Past growth and plans for large-scale future developments now require the setting up of an in-house tax function with a Manager who will have responsibility for the full range of tax affairs of the Company.

Duties will include advising on new projects and future plans on a group wide basis as well as compliance work.

The position of Tax Manager requires a qualified accountant with at least two years experience of tax management in a professional practice or large commercial undertaking.

A commercial outlook, self-motivation and the ability to communicate effectively at all levels are essential.

As well as attractive salary and company car, the benefits package includes a non-contributory pension scheme, free life assurance and profit sharing after qualifying period.

Applicants should write, enclosing full CV and quoting reference FT, to Management Recruitment, Marks & Spencer Plc., Michael House, 57 Baker Street, London, W1A 1DN.

## Marks & Spencer

### INNOVATIVE FINANCIAL ENGINEER £27,000-£35,000 + Benefits

Our client, a well respected City institution, seeks a highly professional individual (ACA or equivalent) whose present involvement in high level negotiations has resulted from a sound technical grounding in major asset finance. Aged 32-35 years, applicants should combine an in-depth knowledge of big ticket leasing, project and export finance in relation to the UK, US and European markets, with first class negotiating skills and the technical ability to formulate individual financial packages of a highly complex nature.

### INTERNATIONAL TAX EXPERT £Neg

An opportunity now exists for an entrepreneurial taxation specialist to join a leading Merchant Bank. The successful candidate, aged 32-36 years, will possess a professional accounting or legal qualification together with the proven ability to solve complex international tax problems. Equally important is the creative flair to identify new business opportunities and operate independently in an expanding, innovative environment. The financial package is negotiable, but will reflect the seniority and importance of this position.

### ACA'S - UK TAXATION

We still seek applications from ACA's, aged 27-30 years with a minimum of 2 years UK corporate taxation experience, who are keen to utilise their creative financial skills more fully, in an aggressive banking environment. Vacancies are with a Merchant Bank and a large US Bank.

For the above vacancies please contact Jill Backhouse or Brian Goodrich  
All applications will be treated in strict confidence.

JONATHAN WREN & CO LIMITED,  
170 Bishopsgate, London, EC2M 4LX. Tel: 01-423 1266

**Jonathan  
Wren**  
RECRUITMENT  
CONSULTANTS



THOS. R. MILLER & SON  
(UNDERWRITING AGENTS) LIMITED

LLOYD'S MEMBERS AGENCY  
**DIRECTOR**

Our client, an expanding and respected Members' Agency, seeks to appoint a Director to assist in the continuing development of their business. This is an exceptional opportunity to join the Lloyd's Market at a senior level. The person appointed will have a combination of professional qualifications/degree and ability to communicate. You will be particularly responsible for assessing and monitoring syndicate performance, both by analysis and investigation of figures, and developing personal contacts. You will also liaise with and advise both existing and potential Underwriting Members.

Aged 28-40, you will need to demonstrate a proven record of working as part of a successful management team, not necessarily within the Lloyd's community. A full induction into the working of Lloyd's will be given. Our client's policy with appointments of this seniority is to discuss and agree remuneration with the successful applicant. Applicants, male or female, are invited to write enclosing a comprehensive c.v. to: John M.F. Dixon, Director, Houghton Sanderson Associates Limited, Peck House, 20 Eastcheap, London EC3M 1AN.

Houghton Sanderson Associates Ltd



Management Consultants

## PRODUCT DEVELOPMENT OFFICER

### Electronically Based Financial Services

Standard Chartered is one of Britain's largest banking groups, with gross assets exceeding £28 billion and more than 2,000 offices in over 60 countries.

We wish to recruit an officer experienced in a range of electronic customer services to strengthen our research and development area. The post will involve market research, product identification and the development and launch of new products, working within our Group Development Department.

The ideal candidate will be aged 28-35 years, will be a graduate/MBA and probably be an AIB. He or she will have had a direct personal involvement in the development

and launch of electronically based financial services, probably of a cash management nature, with emphasis on a marketing role.

Applicants must have good interpersonal skills, with the ability to work as part of a small team.

A generous salary, plus the usual banking benefits, will be provided and good prospects for advancement within the research and development area exist for the successful candidate.

Please apply with a comprehensive c.v., stating present emoluments to Jean Collins, Assistant Manager, U.K. Personnel Services, Standard Chartered Bank, 10 Clements Lane, London, EC4N 7AB.

Standard Chartered

## CAPITAL MARKETS

### SCANDINAVIAN ACCOUNT OFFICER

We are seeking a Junior Account Officer to assist in the organisation effort in Eurobonds, Swaps and other capital markets products in Scandinavia. At least two years' of specialised Scandinavian marketing experience with a leading house active in the region is required. Knowledge of Swedish, Danish, Norwegian and German is desirable with fluency in Swedish a pre-requisite. A competitive salary package will be offered to the successful candidate.

Write Box A9031  
Financial Times  
10 Cannon Street  
London EC4P 4BY

### EUROPEAN FINANCIAL CONTROLLER OF A MULTI-NATIONAL MANUFACTURER

Our client is a division of a well known Group with turnover of £100 million. They now require an ambitious, characterised by a strong accountancy background, aged 25-32 to assume this key role. Experience in the preparation and interpretation of consolidated accounts, budgets and forecasts is essential and a familiarity with computer-based accounting systems is desirable. Based in SE England, the position involves travel and requires a knowledge of German. An excellent remuneration package including relocation will be offered. PLEASE TELEPHONE ARIE ROGGE ON 01-527 6100

## General Manager

### Mortgage Systems Limited

Age 30-40 c. £30,000 + car

This new and unusual appointment will interest executives who have succeeded as managers in the secured lending field and who would like to earn a seat on the board of a dynamic company in a growth market.

Mortgage Systems Limited manages mortgage funds on behalf of merchant and foreign banks, and insurance companies. Located in Fleet, Hampshire, the company has 50 staff and is expanding fast. It provides the management interface between its lender clients and borrowers via a network of retail intermediaries including mortgage brokers and insurance companies. Its strengths include the efficiency of its computer-based mortgage-processing operations, and the ability to design innovative mortgage products and market them successfully. Mortgage Systems Limited, who now incorporate the Index Linked Mortgage and Investment Co Ltd, launched the first index-linked domestic mortgage scheme and broke new ground with low start flexible payment systems. Reporting to the Managing Director, the General Manager will manage the principal line

functions - lender relations, operations, and broker relations - through a team of department managers. The General Manager's work will have a clear impact on the company's growth and profitability, and success will be rewarded with a directorship.

He or she is expected to come from a bank, building society, insurance company or similar institution. Key requirements are a consistent and progressive track record in management, and particular strengths in leading people, managing change and commercial negotiation at senior levels. A university degree is preferred (but not essential) coupled, ideally, with a professional qualification.

The company envisages a remuneration package of £30,000 in the first year, to include a basic salary of around £20,000 plus bonus. A car and pension will be provided.

Please send brief cv, in confidence, or telephone to make any enquiries, to Gary Gibbons, Banking and Finance Group, Ref: GMS/4/86/FT.

PA

PA Personnel Services

Executive Search • Selection • Psychometrics • Remuneration & Personal Consultancy

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.  
Tel: 01-235 0000 Telex: 27874

## PENSION FUNDS ADMINISTRATOR

circa \$13,000 p.a. plus benefits

Our client, a leading Investment Management House, has an opportunity for an experienced funds and securities investment administrator. Acting as number 2 within the department and undertaking a supervisory role you will assist with client contact and administration of pension funds. Therefore, solid organizational ability and good interpersonal skills are essential.

The successful candidate will have experience in, or a good knowledge of, the preparation of data for monthly and annual accounts, reconciliation of accounts, preparation of performance figures and the ability to detail transactions of client pension funds. Although the department is computerized you will have a good working knowledge of accounting/bookkeeping.

Applications will be welcomed from candidates who meet the requirements through experience, or from qualified Accountants and Chartered Secretaries.

If you consider you have the right experience to undertake this important role please write in strictest confidence enclosing a current c.v. to:

Derek A. Burn, MCP Consultants, Halton House, 20-23 Holborn, London EC1N 2JD

MCP Consultants

Financial Sector Human Resources

## Investment Manager Henderson Administration

As a result of continuing growth, Henderson Administration is now seeking an additional pension fund manager for its expanding UK department.

An independent publicly quoted investment management company, Henderson Administration has rapidly increased its funds under management to over £2.6 billion. The pension fund department is responsible for around 40% of this total.

This is an important position which will provide the right person with a challenging opportunity in an environment that is both professional and agreeable.

The successful candidate is likely to be around 30 years old, with several years' experience in managing pension fund portfolios. Remuneration will be competitive and will include non-contributory pension, profit-sharing, a share purchase scheme and other normal benefits.

Applications will be treated in total confidence and should be made to C. G. Clarke, Henderson Administration Group plc, 26 Finsbury Square, London EC2A 1DA.



Henderson. The Investment Managers.

## Business Analyst Reading

Foster Wheeler Energy Limited, are one of the world's largest petrochemical contracting companies.

Based at Reading, they are currently planning to strengthen their small but influential Business Analysis Group. This is part of the International Sales Organisation and is responsible for overall market analysis evaluation and forecasting for Foster Wheeler's International Operations.

The successful applicant will have a wide understanding of energy and contracting industries, the personal ability to develop rapport with co-temporaries in client companies, coupled with the ability to operate autonomously on a wide variety of projects and assignments both in-house and in the field.

If you are between 25 and 35 and a graduate in science, engineering, commerce or economics, with at least 3-5 years in a business environment, we will offer you the opportunity to exploit your self-motivated work style, together with occasional requirements for world travel.

You will be able to demonstrate your ability to generate and present reports on your own initiative in return for an attractive salary, flexible working hours and free membership of our active sports and social club.

Please telephone Rosemary Manning for an application form on Reading (0734) 585211. Foster Wheeler Energy Limited, FREPOST, Reading RG1 1BR (no stamp required).

Foster Wheeler Energy Limited

## Partnership Secretary

London and overseas

£30,000-£35,000 + car

One of the best known names in its field, this British practice employs 300 professional and support staff. The partners seek an able senior manager to co-ordinate the Secretarial, financial, personnel, computing and office management functions in the head office based in central London, and in the firm's other offices. Candidates should have a strong commercial background and, ideally, have worked in an international context; a graduate or professional

qualification is expected. A significant strategic input will be required, as well as the maturity and judgement to work effectively with the partners in a demanding environment. Age range: 40 - early 50s. Remuneration will include senior executive benefits, with a bonus arrangement and car provided.

PA

PA Personnel Services

Executive Search • Selection • Psychometrics • Remuneration & Personal Consultancy

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.  
Tel: 01-235 0000 Telex: 27874

## Phillips & Drew

### PRIVATE CLIENTS DEPARTMENT

The Department wishes to recruit additional Portfolio Managers' Assistants for its expanding Private Client business.

Applicants, probably in their early twenties, should have at least one year's relevant experience.

A competitive salary package, including bonus, will be offered to the successful candidates.

Please apply, in confidence, enclosing full curriculum vitae, to:-

Miss Deborah Harman, Phillips & Drew,  
120 Moorgate, London EC2M 6XP.

### Top Executives earning over £20,000 a year

Can you afford to waste nearly £2,000 a month in delay? Minister Executive specialises in solving the career problems of top executives. The Minister programme, tailored to your individual needs and managed by two or more partners, is your most effective route to those better offers, 75% of which are never advertised. Our clients have an impressive record of success; many blue chip companies retain our services in the redeployment of their top people. Telephone or write for a preliminary discussion without obligation—or cost.

MINISTER EXECUTIVE LTD  
28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309 / 1085

## District Treasurer

Salary £20,203 progressing to £23,589 (increase pending)

The Authority has a current revenue allocation of £40 million and manages the Health Services within the boundary of Chester and Ellesmere Port Local Authority Districts, serving a resident population of 178,000 and a hospital catchment population of over 200,000.

In addition it is responsible for the management of the Cheshire Ambulance Service.

The Authority's proposed management arrangements, following the implementation of the 'Griffiths' Report, emphasise the importance of a positive and dynamic involvement of the Treasurer in professional areas of work, as well as his participation in General Management as a member of the District Management Board. In particular, the Treasurer will play an important role in the introduction of clinical budgeting.

Applications are invited from professionally qualified accountants.

Application forms and further details from District Personnel Department, Chester Health Authority, 20 Box 41, Lightfoot Street, Chester, CH2 3SD. Tel: 0544-518841 Ext 256. Closing date 18th June 1986.

CHESTER  
health authority



**INTERNATIONAL VOLUNTARY SERVICE**  
**SMALL BUSINESSES MANAGER/TRAINING OFFICER**

for vocational training centre in Swaziland. The manager/training officer will carry out and train others in production co-ordination, marketing, buying, bookkeeping, administration etc. Formal qualifications are less important than relevant experience which may include running a business or co-operative; retailing experience as a general sales officer, or personnel manager; accountant or buyer. Two year contract including modest living allowance and flights. Regent no funding for dependents. Applicants must be resident in UK or Ireland.

For details send large size and short cv to:  
 Rose Gervase, Dept. FT1  
 International Voluntary Service  
 53 Regent Rd, Leicester LE1 6YL

**GNI Ltd.**, one of the most active members of LITFE, are looking for an experienced Pit Trader. Salary negotiable according to age and experience. Please reply to Miss Brennan at GNI, 3 Lloyds Avenue, London EC3N 3DS. Telephone 01-481 1262

**FINANCE COMPANY** requires  
**A TOP PERSON**  
 Based in S.E. Essex  
 Min. Sal. £14,000  
 Full CV to:  
 MODERN LIVING  
 497 LONDON ROAD  
 WESTCLIFF-ON-SEA  
 ESSEX SSO 9LG

## Managing Director

An outstanding opportunity in a highly successful company

The company operates in the fields of marketing, advertising and public relations. It has a staff of about 150, and is currently producing pre-tax profits in excess of £750,000.

It is seeking to appoint a Managing Director who will be directly responsible to the Chief Executive, and who will play a central part in maintaining and improving the company's operational efficiency, financial control and profitability, as well as contributing to the strategic development of the business. Responsibilities will also include dealing with some of the company's major UK and overseas clients, at Board level.

Experience in marketing and communications would be desirable; but the company would also welcome approaches from senior managers in analogous service industries such as management consultancy or merchant banking. The successful applicant is likely to be under 40, but will have an established record of achievement in management, as well as a proven ability to develop business and profits in highly competitive environments.

Initial salary will be in the range £40,000-£50,000, with additional benefits and incentives including share options.

Please reply in the strictest of confidence, enclosing a curriculum vitae, quoting reference ERT85/FT to: Box A9028, Financial Times, Cannon Street, London EC4A 4BY.

## Cazenove & Co.

### GILT-EDGED AND FIXED INTEREST SALES

An established Gilt-Edged and Fixed Interest department with full statistical support seeks an experienced person to complement a young team, with access to a wide range of domestic, international and corporate clients.

Remuneration, which is negotiable, includes a non-contributory pension scheme and private medical insurance.

Applicants including curriculum vitae, should be made in writing to:

The General Manager,  
**CAZENOVE & CO**  
 12 Tokenhouse Yard, London EC2R 7AN

All applications will be treated in absolute confidence.

## FINANCIAL DIRECTOR

required to take charge of the Accounts Department of a busy commercial organisation situated in London NW1.

Applicants must be trained to a high standard of accountancy and have a successful track record in Management.

Salary minimum £22,000 plus car, B.U.P.A., etc. Applicants should apply in writing enclosing c.v. and photograph.

Write Box A9033, Financial Times  
 10 Cannon Street, London EC4A 4BY

## RESEARCH ECONOMISTS

The Oxford Institute for Energy Studies wishes to appoint two additional Research Officers, with the following backgrounds:

- (1) An Applied Economist with first-class degree and a proven track record of publications and academic research.
- (2) An Economist with specialist knowledge of either oil or gas and at least three years' experience in industry.

Appointments are normally tenable for three years in the first instance, and salaries will be according to the Oxford University graduate scale for lecturers.

Applicants for the first post should send details of their publications.

Applicants for either post should send a full curriculum vitae and the names of two referees to: The Administrator, Oxford Institute for Energy Studies, 28 New Inn Hall Street, Oxford OX1 2DX.

Closing date for applications is 24 June 1985.

## Finance Director

### Finance & Leasing

### Thames Valley

c. £23K Salary + Car

Our client is a fast expanding finance and leasing subsidiary of a well established private, broadly-based industrial group - £40 million turnover.

At this critical and exciting stage of our client's development, they are now consolidating all their leasing activities within a new division which has a loan book of £20 million, offering a wide range of finance, leasing and consumer credit services, including their recently acquired hire purchase company.

Your key responsibility as Financial Director, where you will report to the Group Financial Director will be to:-

- strengthen the financial management of the division
- rationalise all the group's leasing/finance activities into one cohesive and new dynamic organisation.

You are likely to be a Chartered Accountant in your 30's with at least 5 years' experience in the finance industry, which will include a full understanding of all aspects of consumer credit and leasing. At the moment you will be at Financial Controller/Senior Financial Manager level and be dealing with credit risk and financial evaluation, underwriting and collection procedures, using computerised systems in a big company environment.

- Personal attributes are:-

- A balanced, sensible accounting attitude
- Above all, the inbuilt strength to take on the 'bigger job' in a vibrant growth environment.

Salary and benefits will be especially tailored in the large company mould. Base salary indicator c.£23,000 + car, contributory pension, free life insurance, free medical scheme and relocation costs if required.

For further details, please contact Bill Kirby on Reading (0734) 508151 (ansaphone service outside office hours). Kirby Professional Recruitment Ltd, 24-26 Queens Road, Reading, Berks RG1 4AU.

**Kirby Professional**

SUCCESS THROUGH RESULTS

## COMPUTER ACCOUNTING SUPERVISOR

circa £11,000 p.a. plus benefits

Our client, a major London based Investment Institution, offers an excellent opportunity within their Computer Accounting Department.

The successful candidate will have knowledge of the Investment accounting and bookkeeping procedures normally associated with an investment environment. Preference will be given to candidates with experience of computerized systems.

The position will provide a wide variety of challenges including supervising a team of account controllers and participation in the testing, designing and evaluation of new computer systems. As a result, good organizational and analytical skills, together with an interest in computers, are essential to fill this important role.

If you feel you have the right skills, are aged between 25 and 35 and have at least 3 years relevant experience, then please write in confidence with a current c.v. to:

Derek A. Burn, MCF Consultants, Halton House, 20-23 Holborn, London EC1N 2JD

## MCP Consultants

Financial Sector Human Resources

## Phillips & Drew

### PHILLIPS & DREW FUND MANAGEMENT Statistician - Investment Management

As a result of business growth, Phillips & Drew Fund Management wishes to recruit an additional manager to join the team managing index-matched equity funds and providing related statistical services.

The ideal candidate will be a graduate who has either obtained a post-graduate qualification in statistics or has had some success in the actuarial examinations. Application of this theoretical background to practical investment management should enable rapid progress to be made.

An attractive salary package will be offered.

Applications, containing full educational and career details, should be sent to:-

Mr. J. P. McCaughan F.I.A.,  
 Phillips & Drew Fund Management,  
 120 Moorgate, London, EC2M 6XP.

## Finance Directors

### With General Management Experience

TI Group, an international engineering group, produces a wide variety of consumer, capital and semi-finished goods. We require two outstanding Finance Directors, who have had previous general management experience and who also have the potential to achieve Managing Director appointments in the future.

The men or women appointed will work closely with the Chairman of a range of subsidiary businesses, which may be in the UK or elsewhere. A portfolio of such businesses has total sales of up to about £300m per annum. Assignments will include performance monitoring, financial trouble shooting, capital expenditure proposals, acquisitions, disposals and helping to formulate business strategies. A functional link will also be maintained with the Group Finance department.

Success in these jobs is likely to lead either to senior line appointments or to more senior financial appointments.

The preferred age bracket is 30 to 45. Applicants must be qualified accountants and must be able to show a record of considerable achievement in senior management jobs in industry, both in finance and in general management. A business qualification would be an added advantage.

Salary is negotiable, and benefits include an executive car, top hat pension etc. Help would be given with relocation where necessary. Base Birmingham.



Apply, in strict confidence, to Group Personnel Director, TI Group plc, 11 House, Five Ways, Edgbaston, Birmingham B16 8SQ.

### BANKING RECRUITMENT CONSULTANT 25 +

Liberty remuneration £16,000 pa

LJC Banking Appointments, a small established recruitment consultancy, is seeking a consultant to interview for and fill banking vacancies within the £2,000 to £15,000 p.a. salary range. The ideal person will have a thorough understanding of the functions of all departments within both merchant and commercial banks. He/she will most likely have worked in a bank or a recruitment consultancy. LJC Banking is offering to a self-starter a challenging but rewarding job in a friendly, professional environment.

Please ring Deborah Mayhew on 01-377 9800 to discuss details.

## INTERNATIONAL ACCOUNTANT

A young and rapidly expanding French Services Group is seeking a qualified accountant (ACA/ACMA) to head up the accounting and reporting function of its London company. Based in West London, reporting directly to the General Manager London, functionally to the Financial Controller at HQ in Lyon, the job will also require some European travel.

The successful candidate will have a strong management and financial accounting background, and the ability to implement sound systems of internal control. Considerable experience of mini/micro computer systems, and the ability to cope with various administrative matters is highly desirable, as is the ability to speak/write some French.

The position offers an exceptional opportunity for a young, recently qualified accountant who wishes to develop experience in a youthful, fast-moving international environment. A generous remuneration package will be provided for the right person.

Replies in confidence to:

General Manager,  
**JET SERVICES (UK) LTD,**  
 Unit 1, NNT House,  
 Phoenix Way, Herton, Middlesex.



## THE ROYAL LONDON

### AN OPPORTUNITY IN FUND MANAGEMENT

The Royal London is a major U.K. insurance company with total assets of more than £1.5 billion. We are seeking to appoint a fund manager who will play a leading part in the management of a wide range of investment funds, including unit trusts. Applicants should have a good degree in Economics or a closely related subject, together with at least 18 months' experience of equity research and investment analysis. To the right person we can offer an attractive salary, substantial fringe benefits and excellent prospects for rapid career advancement.

If you are interested in this position, please write, enclosing c.v. to:-

The Investment Manager,  
**THE ROYAL LONDON MUTUAL INSURANCE SOCIETY LIMITED,**  
 Royal London House,  
 Finsbury Square, London EC2A 4DS.

## Corporate Finance

YOUNG TALENT

A pre-eminent firm of Stockbrokers seeks one or possibly two people to work in its Corporate Finance Department.

- THIS IS AN OPPORTUNITY to join a relatively small team with a leading position in the market.

- THE REQUIREMENT is for a qualification in Law or Accountancy, which will probably have been gained with a major City firm. Some experience of New Issue work would be an advantage.

- AGE mid-20's. Remuneration unlikely to be less than £16,000.

Write in complete confidence to A. Longland as adviser to the company.

**TYZACK**  
 5 PARTNERS LIMITED

10 Hallam Street, London, W1N 6DJ. Telephone: 01-580 2924

## Investment Marketing

### a career development opportunity Central London

Clerical Medical is one of the UK's leading life and pensions offices, noted for its strength in investment management. Recent corporate development has included the highly successful launch of a range of unit linked products.

Our plans for continued growth have led to an opportunity within a new information unit in the Investment Management area, comprising a small team of specialists who provide varied investment communication support to a wide range of internal and external contacts.

This appointment is probably best suited to a graduate in economics, statistics or other numerate discipline. The successful candidate is likely to have 2/3 years' experience in the financial

sector or in industry and to be making good study progress towards a further professional qualification. Equally important will be your personal contribution to the development of this new team, which could prove an invaluable stepping stone towards a career in investment.

We offer a competitive salary according to qualifications and experience plus an excellent benefits package.

Please write with full details to: Nick Morgan, Clerical Medical and General Life Assurance Society, 15 St. James's Square, London SW1Y 4LQ.

### Clerical Medical

## UK Equity Analyst

to £20,000

Our client, an internationally active investment house involved in Investment Banking, Merchant Banking and Broking, seeks a UK equity analyst to complement their existing research coverage.

Candidates will probably be graduates, aged 24-28 with a minimum of three years' equity analysis experience, gained within either a stockbroker or an investing institution. A broadly based background is preferable although sector specialists with a sound grasp of the UK market as a whole will also be considered. Knowledge of European markets may also be useful.

Reporting to a Director, the successful individual will analyse UK equities and be responsible for producing written research material as well as communicating ideas verbally to other members of the company. This is an unusual opportunity for an ambitious individual to establish themselves in a newly created key-role.

Please contact Stephen Embleton at The Investment Division, 23 Southampton Place, London WC1A 2BE, telephone 01-404 5751.



**Michael Page City**  
 International Recruitment Consultants  
 A member of the Addison Page PLC group

## CORPORATE FINANCE SPECIALIST

to £20,000 + Normal Banking Benefits

### The Company

A top British Merchant Bank well-placed to tackle the shape of things to come in the new financial era.

### The Position

To assist a small team within the corporate finance department which specialises in advising the bank's smaller corporate clients.

### The Candidate

Will probably be a graduate chartered accountant or solicitor aged up to 30 years with experience in one or more of the following areas: flotations, rights issues, mergers, acquisitions, contested takeovers, investment under the Business Expansion Scheme. Additionally he or she should be self-confident, have flair and possess good interpersonal skills.

For further details of this position telephone or write in complete confidence enclosing full curriculum vitae to ANDREW GOODWIN, Corporate Finance Division.

**CHARTERHOUSE APPOINTMENTS**

EUROPE HOUSE, WORLD TRADE CENTRE, LONDON E1 6AA. 01-481 3188



## International Appointments

### Senior Accountants Abu Dhabi

Salary: STG-25,000 Free of tax  
+ Substantial Benefits

A leading public sector financial institution requires two Senior Accountants for its Finance Department in Abu Dhabi.

The Institution concerned is actively involved in worldwide securities and other investment on a large scale. The organisation uses sophisticated investment techniques and employs the latest data processing and communications technology.

The candidates appointed will assist the existing financial team in the Finance Department in the following projects:-

- (1) The development of Financial Accounting Systems,
- (2) The development of performance analysis and other reporting techniques,
- (3) The provision of management information to all levels of management.

Scope for personal initiative and creativity is high. Duties will involve extensive contact with Directors and Managers and the position offers first class experience.

Candidates should be qualified Accountants aged between 28-35 with good academic record. Relevant professional experience gained either in a leading International Audit firm or directly in an Investment Bank of other major institution is essential. Energy, creativity and tact are key personal requirements.

The candidates will be required to live in Abu Dhabi on married or single status. The remuneration package offered includes a substantial salary, transport allowance, first class furnished accommodation inclusive of all service, 45 days leave per annum, annual return air fares to place of origin, free health care, assistance with education of dependent children and a substantial terminal gratuity. Salary and benefits are at present free of all taxation.

Please send full career details to:-

The Director,  
18th Floor,  
99 Bishopsgate,  
LONDON  
EC2M 3XD.

Interviews will take place in London in July or August, 1985.

## EUROPE · MIDDLE EAST · AFRICA · FAR EAST

### To be quite honest, you won't succeed as an International Financial Consultant unless you have the right background.



High tax-free incomes are being earned by British and other expatriates in many parts of the world. Most of them are keen for advice on how best to invest and maximise these assets, and they naturally prefer to seek it from people they can trust and respect. People such as Finexco's Financial Consultants. Their expertise, allied to total integrity and professionalism has enabled us to grow to become one of the world leaders in this fast expanding specialist market in less than five years. Such is the demand for our services that we now need to add to our elite team of International Consultants. We are looking for people whose background of consistent professional achievement has won

them respect in the business community: people with plenty of self-confidence, imagination, a streak of independence and a constant desire for fresh challenge. Probably not less than 30, your acumen, authority, and ability to negotiate are more important than specific experience of international finance, although this would of course be a considerable asset, as would a second language. Our specialist training is acknowledged to be one of the best in the profession. It will prepare you to go wherever the market is (and that could be anywhere in Europe, the Middle East, Africa or the Far East) and reap very high rewards commensurate with your success. This is without doubt an exceptional opportunity with a true Blue Chip company. Please write, enclosing a full CV, to H E Gane, (Ref: 318), Whites Bull Holmes Ltd., 103-105 St. Martin's Lane, London WC2N 4JX.

### INTERNATIONAL APPOINTMENTS

APPEAR

EVERY THURSDAY

Rate £37.00

Per Single Column

centimetre

Plus V.A.T.

## Senior Banking Opportunities

Saudi Arabia

£tax free package

Our client is a major well established Banking institution which is jointly owned by Saudi Arabian and international interests. Due to its continual development the following executive personnel are required:

### Marketing Executive

Prime responsibilities will be the preparation of annual marketing plans to ensure that volume of business and profit targets are met, together with the initiation of research aimed at improving the Bank's products, services and marketing methods. Will also supervise the identification of new business and potential new borrowing customers, as well as preparing industry surveys, reports and forecasts for senior management.

Substantial relevant experience in a major Banking group is essential and the ability to communicate in Arabic would be a distinct advantage. Ref. B.1178/2.

### Deputy Manager - Inspection

Major function will be to assist the Chief Inspector in the day-to-day control of the Inspectorate - particularly the internal audit section. Other responsibilities include the supervision of area auditors together with the maintenance and amendment of the relevant audit programs. Also liaise with the Senior Travelling Inspectors, the Bank's lawyers and the various branches.

Candidates must have substantial experience gained as Accountant of a large branch, ideally involved with facilities work, and should have the independence and communications ability to manage staff effectively. Previous Middle East experience would be advantageous. Ref. B.1178/3.

An attractive tax free compensation package is offered commensurate with qualifications and experience. Other benefits include paid annual leave with air fares for self and dependents, free medical cover and life insurance etc. Two year renewable contracts on married status. Please write - in confidence - with full details, quoting relevant reference, to F. Bisby, HAY-MSL Middle East, 52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

مختصون باستشارات المراقبة

HAY-MSL

middle east

## Now Accountants can ignore Tax -and reap the benefits Tax-Free Opportunities in Saudi Arabia

IAL is a major international group who are currently assisting the Saudi Arabian National Guard to recruit staff for the prestigious King Fahad Hospital in Riyadh. The Fiscal Services Department of the Hospital has vacancies for the following staff:-

### Senior Accountant

\*£19,200pa tax-free

The work will include organising and directing General Ledger entries, reviewing monthly trial balances, developing new records systems, and analysing schedules and accounts for interim, monthly and annual reports.

You'll be a fully qualified Accountant, ideally with a business studies qualification and have at least 5 years' experience, 2 of which should have been in a supervisory role. Hospital experience is desirable. Ref. F228/01.

### Cost and Price Analyst

\*£19,200pa tax-free

To review the operations of on-site and off-site contractors, determining capability and performance. You'd also review the termination of all sub-contracts, assuring performance and verifying payments.

You'll need to be fully qualified with five years' experience in cost and price analysis or a related field. Some knowledge of US Defence Acquisition Regulations (DAR) or Federal Procurement Regulations (FPR) is desirable. Ref. F228/02.

\*Salaries are at a conversion rate of £1 = SR4.5595.

These are accompanied positions and in addition to the tax-free salaries, there is a comprehensive benefits package including free accommodation, generous holiday with flights to the UK and excellent sports and leisure facilities.

For further details, telephone or write to the Recruitment Executive (BDG), quoting appropriate reference.



### Manpower Services

Aersio House, Hayes Road, Southall,  
Middlesex UB2 5NU. Tel: 01-574 5173.

A MEMBER OF THE STANDARD TELEPHONES AND CABLES PLC GROUP

As the largest Swiss telecommunications company, with years of experience in the export market, we now intend to intensify our sales efforts in the Far East. We are seeking a

## RESIDENT SALES ENGINEER

Based in Hong Kong, he will support our sales departments in their efforts to penetrate existing and to open up new markets.

Preference will be given to applicants who are qualified electronics engineers specialising in telecommunications and who have sales experience and a knowledge of the appropriate marketing channels for public and in-house communications systems in the Far East.

In addition, applicants should have experience in dealing with public authorities and have a proven track record in international trade.

An attractive salary, together with comprehensive social benefits, will be offered for this highly responsible position.

The successful applicant will undergo a training period of approximately six months in Switzerland. Please send your letter of application and c.v. to HASLER Ltd., Personnel Dept. A, For the attention of Mr. P. Burkhalter, Belpstrasse 23, CH-3000 Berne 14, Switzerland. Tel: 031/65 26 72. Telex: 32413 HAG.

### EMPLOYMENT CONDITIONS ABROAD LIMITED

An international Association of Employers providing confidential information to its member companies, relating to employment of expatriates and nationals worldwide.

Tel: 01-637 7604

## CITIBANK سيتي بنك

Seeks an aggressive Credit/Marketing Officer who meets the following criteria:

- Fluency in Arabic and English
- Three to five years' experience in credit and marketing with a major bank
- A proven ability to work independently and with minimal supervision
- Willingness to relocate to Bahrain and travel frequently to Saudi Arabia

The assignment offers excellent career opportunities.

Please mail a comprehensive resume to:

THE PERSONNEL MANAGER  
CITIBANK, N.A.  
P.O. BOX 548  
MANAMA - BAHRAIN

## SAUDI ARABIA CREDIT CARD OPERATIONS MANAGER

Substantial Tax-Free Package

Our Client markets and operates Mastercard under license in Saudi Arabia and Bahrain. Growth has been rapid and is expected to continue. They now wish to appoint an Operations Manager to control and expand their headquarters function in Jeddah. There will be a dual emphasis on day to day administrative control and upon promotion of the existing facility to other potential markets such as banking institutions. Experience in the credit card industry is essential, supervision of a multinational group in an overseas location is a distinct bonus. Job demands will be high; prospects in terms of responsibility and rewards are considerable. A substantial tax-free salary and benefits package will be negotiated which will include free furnished accommodation, private transport and paid annual leave. Please send full c.v. or telephone: Michael Nagle FCA, Saba and Nagle International Ltd., 23 Pembroke Square, London W2 4DL. Tel: 01-221 2996.

SABA AND NAGLE  
INTERNATIONAL

## AMSTERDAM NATIONAL MANAGER

An international retail business with multiple outlets in Amsterdam invites applications from persons able to take overall responsibility for our Dutch operations. The position calls for shrewd business acumen, the ability to manage and motivate staff and to take responsibility for profitability. A unique package will be structured for the person able to demonstrate their ability to fill this very important management role.

Write to Box A9026, Financial Times  
10 Cannon Street, London EC4P 4BY  
Ref. GS



### LOCAFRANCE

Leader of the French leasing sector, is expanding its international activities in conjunction with its parent company, Banque Indosuez, and is creating two new job positions for:

## Executives in charge of international projects

They will report to the International Director and their responsibility will at first consist in following the development of newly established financial companies abroad, in conducting projects and in negotiating agreements. These activities will lead very rapidly to a management responsibility of overseas company. These positions require considerable geographical availability and will be offered to university graduates having a strong financial background, with a perfect knowledge of French and English and with several years of experience in the leasing sector. These positions represent interesting career prospects within a highly competitive firm for candidates who possess both the skill of a researcher and the talent of a field negotiator. Please send confidential resume and short handwritten letter indicating your phone no under ref. 067 FT to Route SCHWARTZ

4+ Carrières  
47 bis, avenue Hoche 75008 PARIS.



# Accountancy Appointments

## Commercial Accountant

£ neg. + Car N.W. London

Laskys is the retail arm of the successful blue chip, Ladbroke Group and has expanded over the past few years to become one of the market leaders in audio/visual products, with a turnover in excess of £60 million.

We are now seeking a newly qualified Accountant with commercial acumen who wishes to develop a career in a fast-moving industry. Based at our Head Office in Hendon you will have an excellent understanding of management control techniques, a willingness to develop and implement such controls, an ability to communicate at all levels and a willingness to travel to any of our 50+ stores. Experience of fring will be an advantage but is not essential.

The rewards include an attractive salary, excellent benefits package, experience in working with a highly professional management team and exposure to all facets of a major retailing business.

Please write with full personal and career details to Michelle Schneider, Personnel Manager, Hardman House, The Hyde, London NW9. Tel: 01-200 0444 ext. 235.

**LASKYS**

The Retail Division of the Ladbroke Group

## Financial Executive

Herts

££30,000 + car + benefits

A opportunity has arisen for an ambitious and dynamic senior accountant, who is keen to make a major impact and be involved in the corporate development of an organisation.

Our client is both well established and renowned in the financial sector. They currently seek a Chief Financial Officer who, in addition to managing a significant accounts department, will be responsible for statutory and management accounting, reviewing and enhancing systems and, as a member of the Executive team reporting to the Chief Executive, contribute towards corporate planning.

Candidates should be qualified accountants with experience at a senior level gained in either industry, commerce or the financial sector and of particular importance will be the need for experience in management accounting and costing. The successful candidate will have the personality, drive, self-confidence and business acumen to play a major role in the organisation's future development.

The excellent benefits will include a salary (negotiable around the indicator shown), company car, pension, plus subsidised BUPA and mortgage facilities. Relocation assistance will also be provided if appropriate.

Candidates should apply in confidence enclosing a full CV and quoting reference MCS/6054 to A. Hannah Hunt, Executive Selection Division, Price Waterhouse, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

**Price Waterhouse**  
Business Needs Experts

## Accountant Merchant Banking

South London

c.£20,000 + Car + Benefits

Our client, a leading merchant bank, is seeking a Deputy Chief Accountant (Designate) as a result of retirement of the current jobholder in two years time.

The successful candidate will be a Chartered Accountant, ideally in his or her mid 40's, and will have recent banking experience. Reporting to the Chief Accountant, the person appointed will be responsible for the preparation of all aspects of financial and management accounts and will be involved in the bank's ongoing computerisation project. In addition, he or she will be the bank's adviser on VAT matters and a detailed knowledge in that area is essential.

This is an interesting appointment based at the bank's administrative headquarters and the attractive remuneration package will include substantial profit sharing, mortgage assistance and other benefits.

Please write in confidence, enclosing career details and quoting reference R4200/L to Valerie Fairbank, Executive Selection Division, Pear, Marwick, Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

**PEAT MARWICK**

## FINANCIAL CONTROLLER

Kent

Circa £18,000 + Car + Benefits

Our client is a successful and expanding organisation involved in shipping and freight forwarding.

Currently managed by a young, dynamic and enthusiastic team, they are now wishing to appoint a Financial Controller who will assume total responsibility for the accounting function and will report jointly to the Finance Director and the Managing Director.

This is an ideal opportunity for a qualified accountant, aged 28 to 34 years to join a growing concern which can certainly offer excellent prospects for future career development. Previous experience within shipping/freight forwarding is preferable, but not essential.

Written applications including up-to-date curriculum vitae to be forwarded to Robert N. Collier or Neil Gillespie at our London address quoting reference number 5267A.

410 Strand, London WC2R 0NS, Tel: 01-836 9501  
26 West Nile Street, Glasgow G1 2PE Tel: 041-226 3101  
113/115 George Street, Edinburgh EH2 4JN, Tel: 031-225 7744  
Brook House, 77 Fountain Street, Manchester M2 2EE, Tel: 061-236 1553

**DOUGLAS LAMMAS**  
Douglas Lammas Associates Limited  
Accountancy & Management  
Recruitment Consultants



## Accounting Development

Oil Industry

Aberdeen

Total Oil Marine is a successful North Sea Operator, involved in a full range of oil and gas activities. We are currently developing the Alwyn North Field scheduled for start up in 1987, and as a result of this substantial growth, have a newly created position for a senior Accountant who will take a leading role in company-wide financial system development.

Total is committed to the highest standards of computer system development utilising state-of-the-art financial and business related systems based on an IBM mainframe. Your initial responsibilities will include analysis of operational requirements, preparation of design specifications, systems testing and user documentation. Previous experience in a development role would be an advantage.

Probably aged around 27-35, you will be a qualified Accountant and have experience of integrated accounting and cost reporting systems in a modern computerised environment. As a rapidly expanding North Sea operator, career prospects within Total are excellent.

As part of a multi-national group, we offer an attractive index-linked salary and a comprehensive benefits package including generous relocation assistance.

Please telephone for more information and an application form, or send a detailed CV to: Paula Feathers, Training & Recruitment Officer, Total Oil Marine plc, Cranwood Road, Aftens Industrial Estate, Aberdeen AB9 2AG, Tel: (0224) 875555 ext. 3560

## Total Oil Marine

Bringing energy ashore

## Travel, growth and prospects!

25-28

c.£14,000 + car + reloc.

Our client, Engelhard Industries (part of the £2 billion turnover per annum international Engelhard Corp.) is a world leader in precious metals and deals on the world commodity markets.

They seek a multi-lingual graduate ACA to be sited within commuting distance of one of their UK locations. The role is one of review of overseas and UK operating divisions and will expose you to complex worldwide information systems, US and European reporting requirements and globally tight reporting deadlines/internal control.

With experience gained via exposure

to precious metal trading/world commodity markets, your operational accounting 'know how' will be improved due to the review of both refining and manufacturing activities. Your prospects will be enhanced by being part of a prestigious company which operates at the barrier of new technology and one that is committed to promoting within senior line roles.

Applicants should write, enclosing a comprehensive cv., to Adrian Wheale ACMA, ACIS at Michael Page Partnership, St Augustine's Court, 1 St. Augustine's Place, Bristol BS1 4XP, quoting ref B8039.

**Michael Page Partnership**  
International Recruitment Consultants

London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

## Group Audit Manager

Food Industry

Reading Area

to £20,000 + Car

No longer is internal audit regarded as being merely the watchdog of an organisation. Today enlightened companies are greatly enlarging the traditional role of the internal audit department and regarding it as a key contributor to their prosperity and success. Our client is such a company.

With a turnover approaching £90 million they are one of the major manufacturers and retailers in their sector of the Food Industry and number most well known High Street names amongst their customers.

They are keen to maximise the full effectiveness of the audit function and wish to recruit an able Group Audit Manager to undertake this challenging role.

An A.C.A. or A.C.C.A. qualification is essential and candidates must have in-depth audit experience of computer-based systems in either the profession or industry. Age is not a critical factor provided you can demonstrate a high level of drive, initiative and commercial awareness.

An attractive salary is offered depending on age and experience, together with excellent benefits and good career prospects within this acquisitive-minded group.

Please send concise details, including current salary and daytime telephone number, quoting reference C2023, to W.S. Gilliland, Executive Selection Division,

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.



**NATIONWIDE HOSPITALS PLC**

## GROUP ACCOUNTANT

c. £16,500 + Car, Pension and Medical Insurance

We are a leading company in the private medical and continuing care fields. Current and proposed expansion means that we need to strengthen our management team by recruitment of a qualified accountant.

In addition to supervising our accounting the successful candidate, who will probably be in his early 30s, will be responsible for all financial planning, the introduction of computerised management systems for the Group budgetary controls and forecasts.

Prospects are excellent in this expanding Group and candidates must be willing to travel. The position will be based in Winchester where the Group will shortly be relocating to new offices.

Apply by letter, enclosing curriculum vitae, to:  
The Managing Director  
NATIONWIDE HOSPITALS PLC  
Crown Court, 1 East Borough, Wimborne  
Dorset BH21 1LP

## EUROPEAN AUDIT FOR U.S. WORLD LEADER

Based W. of London Top benefits package + relocation

This major U.S. Group is one of the largest and most successful companies in its field, with ambitious plans for further expansion linked to continued and substantial investment in new product development.

Internal promotions coupled with increasing demands on the European Audit function have resulted in the need to recruit a number of high-calibre qualified accountants aged 24-32 to join an established team based in the U.K. as:-

**Audit Manager c.£20,000 + car**

**Senior Auditors £13,000 to £15,000 + car**

Working on varied and challenging assignments, you will provide management with independent reviews of activities within their European companies investigating business and financial operations, systems, and controls.

All appointments offer ideal platforms for career development to senior management status in the U.K. or internationally and are geared to individuals with the ambition to succeed in this fast-moving group, highly regarded for its ability to promote from within.

For the Senior Auditor roles, you will be recently qualified with experience in a larger professional firm or multi-national group. For the appointment of Audit Manager, you will have significant audit, management and organisational experience, ideally gained in a progressive commercial environment. You will also have the independence and flexibility to enjoy spending in excess of 50% of your time outside the U.K.

For a detailed and confidential discussion, please telephone Neil Wax, Consultant to the Company, on 01-387 5400 (out-of-hours on 0923 43033) quoting Ref NW/5000 or write to:

**FINANCIAL SELECTION SERVICES**  
BRAYTON HOUSE, GORDON STREET, BLOOMSBURY, LONDON WC1H 0AN  
TELEPHONE: 01-387 5400

## FINANCIAL DIRECTOR DESIGNATE

NORTH-WEST LONDON

c£22,000 pa + company car

Heron International is one of the United Kingdom's fastest-growing companies. The group is renowned for demanding a high level of commitment and exceptional standards of performance from its management team. It is also well-known that 'fast track' promotion is the reward for success.

An opportunity has arisen to join the Heron subsidiary which specialises in Fleet-management and Contract-hire packages for commercial users -

**HERONDRIVE**

The company epitomises the Heron style - dynamic, aggressive, professional, profitable and expanding.

The person appointed will be aged around 30, male or female, a Chartered Accountant and, ideally, a business graduate; experience will have been gained in commercial organisations of outstanding operational and financial pedigree.

In addition to assuming responsibility for the general accounting function, the successful incumbent will have specific responsibility for assisting the Managing Director in the design and implementation of a new computerised accounting system.

The financial and fringe benefits rewards package is outstanding and, subject to satisfactory performance, an appointment to the board will be made.

Applications in the form of a brief but meaningful cv should be sent to Brian Hodges acting as advisor to the Company at

**Brian Hodges Associates**

MANAGEMENT CONSULTANTS · EXECUTIVE SEARCH · APPRAISAL AND TRAINING CONSULTANTS  
Suite 3, 50-52 High Street, Epsom, Surrey KT18 8AJ



## TECHNOLOGY

EDITED BY ALAN CANE

## Throwing light on computers of the future

THINK OF a small box containing millions of tiny slivers of material each of them transmitting light rather like a cinema projector. The system is interlinked so that light circulates continuously between the different projectors, each of them modifying signals before transmitting the light again.

This is a crude description of the very fast optical computers envisaged for the 1990s by a small group of researchers in the U.S. and Western Europe.

By flashing on and off in a coded sequence, a projector would send instructions to one of its counterparts.

The complete system could act as the processing switches analogous to the silicon chips in today's computers. The difference is that messages would be sent not with relatively slow-moving electrons but by beams of light travelling at 300,000 km a second.

Furthermore, the optical computer would deal not with one instruction at a time—as in today's computers—but would be capable of processing per-

AMP (an optical fibres company).

The U.S. National Science Foundation and the state of Arizona are contributing \$150,000 and \$200,000 respectively.

Professor Hyatt Gibbs, director of the co-operative, says the development of working systems is still some years away. But he thinks that in the 1990s optical techniques could complement the electronic processing systems used in conventional computers.

For instance, optical computing steps could be harnessed in a small part of a large computer to work on a difficult problem that involves massive "number crunching." The optical processing segment would then need to be linked with a conventional electronics based system.

In Britain, a group under Professor Desmond Smith at Heriot-Watt University in Edinburgh has developed devices that could be the prototypes of the switching circuits used in optical computers of the 1990s.

Prof Smith's group is due to join a research consortium



Prof Desmond Smith with elements of his prototype

is changed by the optical properties of the substance, a process known as refraction.

An everyday example of refraction is the way light is slowed down as it passes from air to water, resulting in a blurring of images viewed through the water.

In materials that demonstrate optical bistability, the refraction of a ray of light sent through the material varies in relation to the intensity not in a linear fashion but in a series of discrete steps.

An optically bistable substance has two stable regions in which the transmitted intensity hardly varies with changes in the intensity of the ray of light.

As a result of this behaviour, a beam channelled into such a substance can trigger a large gain in intensity of the transmitted ray for only a small increase in the intensity of the incoming light beam.

Banks of these kind of materials could be used instead of transistors in ordinary computers, each of which act as an on/off switch to streams of electrons. Optical transistors—

tem in a complex path, weaving to and fro between perhaps millions of optical elements in a microscopic version of a discotheque laser light show.

Light beams, being composed of neutral photons, do not influence each other in the way that electrons do, repelling each other because of their negative charges.

So millions of separate light beams could travel through an optical computer (each focused by high-accuracy lenses and each carrying signals for entirely separate processing steps) without disturbing each other.

Work in research laboratories is aimed at finding materials that are optically bistable at room temperatures (the effect is more pronounced at very low temperatures near to absolute zero or -273 deg C, but this introduces obvious practical difficulties) and which require for their activation only small amounts of power.

In a working optical system too much power consumption would generate vast quantities of heat that would melt the components.

## Faster

The Heriot Watt team is working on optical transistors based on indium antimonide, a compound semiconductor. Other suitable materials include zinc selenide and zinc sulphide. The group is working with carbon-dioxide lasers made by Edinburgh Instruments, of which Prof Smith is chairman.

In the U.S., Prof Gibbs in Arizona is using crystals of gallium arsenide, which respond to laser light with a wavelength of about 0.9 micrometres. He has built circuits of optical switches measuring two micrometres square that are etched, using lithographic (pattern-printing) techniques borrowed from conventional semiconductor production, on relatively large sheets of gallium arsenide.

Such switches respond to light signals in 1 to 3 picoseconds, some 1,000 times faster than switches based on transistors. (One picosecond is one thousand-billionth of a second).

Each light signal would contain pulses that are either on or off and so constitute a binary signal of the kind digested by ordinary computers.

The switches built by Prof Gibbs recover their characteristics in a further 200 picoseconds, which is the time before they can receive and react to another coded ray of light.

## Smoke monitor will help curb pollution

BY PETER MARSH

COMPANIES in the chemical and energy industries could be helped by a device that monitors smoke from factory chimneys.

The equipment, developed by the U.S. Government's Sandia National Laboratories in Albuquerque, New Mexico, could mean that new ways of generating electricity from coal become commercially viable.

The device classifies smoke particles according to size, allowing workers to test the efficiency of new combustion systems and check whether the emitted gases produce pollution.

It can also be used in any industry that needs to monitor the output from chimneys, either to satisfy pollution requirements or because impurities in the atmosphere could impede its own production processes.

Customers for the equipment could include hospitals, foundries, microchip plants, kilns and companies that test or make gas turbines.

The system was produced at Sandia's combustion research facility, aided by a grant from the U.S. Department of Energy.

It includes a special microbalance made by Ruppel and Patachnick of Voorheesville, New York.

The microbalance, which looks like a champagne glass, is clamped at its mouth to a base plate. A filter attached to the narrow end oscillates between two electric plates.

The gases pass through the wider end of the instrument. Any particles collect on the filter, making it heavier and causing it to oscillate at a different frequency.

The oscillation is measured electronically while a set of fibre-optic cables transmit pictures about the build-up of particles on the filter. The information is sent to a computer for analysis.

According to Dr James Wang, a Sandia scientist, the system provides almost instantaneous information about gases as they are emitted. As a result, workers are warned of any changes in the process that, for example, may lead to a surge in gases causing a threat of pollution.

Sandia engineers have tried out the system as a way of monitoring the performance of an industrial boiler.

## Computers to keep track of costs on building sites

COMPUTERS are helping a civil-engineering company based in Northampton, England, to keep track of costs on its building sites.

Kimbrell Construction has joined with researchers at the University of Aston in Birmingham to produce programs with which site managers and foremen can analyse information about, for example, volumes of concrete consumed per week and payments to labourers and subcontractors.

The software, which runs on Apple personal computers, has been used on three building projects in Cambridgeshire and Hertfordshire. Two were road building schemes while the other involved a new sewage plant.

Mr Douglas Gibbs, a director of the firm-turnover Kimbrell, said the hardware gives people on site instant access to an array of information about

building work and so makes for better planning and fewer delays.

The construction industry in recent years has done much to tighten up on costs and the flow of materials on building sites, but acknowledges that computers can greatly help in this process. Conventionally, vital information is written on scraps of paper which can be mislaid in the hurry-burry of building operations.

The work with Aston's department of civil engineering and construction is partly financed by a teaching-company grant from the Department of Trade and Industry and the Science and Engineering Research Council.

Teaching companies are projects partly supported by the Government which aim to bring together companies and academic establishments.

PETER MARSH

## Sensor for vehicle navigation

SIEMENS has developed a sensor which locates its position by detecting constant magnetic fields.

The sensor has already found two applications. One is in Siemens Antoscont car navigation system now undergoing trials and the second is in oil drilling where the sensor can detect any deviation of the bore hole from its ideal path.

The sensor consists of two iron-core coils wound on a new type of soft magnetic material. The electric current in the two coils changes in accordance with their position with respect to the Earth's magnetic field.

By measuring these changes, the position of the sensor can be determined. For example, in the Antoscont experiment, the sensor continuously measures the angle between the longitudinal axis of the vehicle and the Earth's magnetic field.

## Bid to outwit car thieves

CRANFIELD Product Engineering Research Centre is developing a device which enables police to identify stolen cars even after they have been disguised.

The device is fitted securely in the vehicle and stores electronically a unique and unalterable number—more than 100 million variations are possible. It can be read with a portable interrogator unit.

The device is aimed chiefly at the executive car market. Manufacturers' co-operation will be required if it is to be fitted widely. The police and the Home Office are said to be interested.

U.S. \$100,000,000

GW

Great Western Financial Corporation

(Incorporated in Delaware)

Floating Rate Notes Due 1995

In accordance with the provisions of the Notes, notice is hereby given that for the three month interest period from 6th June, 1985 to 6th September, 1985 the Notes will carry an interest rate of 7 1/4% per annum. The interest amount payable on the relevant interest payment date which will be 6th September, 1985 is U.S. \$998.26 for each Note of U.S. \$50,000.

Credit Suisse First Boston Limited  
Agent Bank

Weekly net asset value



Tokyo Pacific Holdings (Seaboard) N.V.

on 3rd June 1985 U.S. \$88.04

Listed on the Amsterdam Stock Exchange

Information: Pearson, Harding &amp; Pierson N.V., Herengracht 214, 1017 BS Amsterdam.

## VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS

PER 4 JUNE 1985

	Today	INDEX	Last week	%	Year's
125 Eurobonds	10.08	10.42	11.57	High	Low
OM (Foreign Bond Issues)	8.88	9.00	7.82	8.88	8.88
MLP (Swiss Notes)	8.87	7.17	7.89	8.87	8.87
C&S Eurobonds	10	10.22	10.41	10	10.22

Bank J. Vontobel &amp; Co Ltd, Zurich - Tel: 010 411 488 7111

U.S. \$150,000,000

## First Interstate Overseas N.V.

(Incorporated in the Netherlands Antilles)

Guaranteed Floating Rate Subordinated Notes Due 1995

Guaranteed on a subordinated basis as to payment of principal and interest by

First Interstate Bancorp

(Incorporated in Delaware)

In accordance with the provisions of the Notes, notice is hereby given that for the three month interest period from 6th June, 1985 to 6th September, 1985 the Notes will carry an interest rate of 7 1/4% per annum. The interest amount payable on the relevant interest payment date which will be 6th September, 1985 is U.S. \$198.06 for each U.S. \$10,000 principal amount of Notes.

Credit Suisse First Boston Limited  
Agent Bank

## The Seiyu, Ltd.

(Kabushiki Kaisha Seiyu)

U.S. \$50,000,000

Guaranteed Floating Rate Notes 1988

For the six months

7th June, 1985 to 9th December, 1985

In accordance with the Provisions of the Terms and Conditions of the Notes, notice is hereby given that the Rate of Interest has been fixed at 7 1/4% per cent per annum, and that the interest payable on the relevant interest payment date, 9th December, 1985 against coupon No. 4 will be US\$ 2039.50.

The Industrial Bank of Japan, Limited  
Agent Bank

U.S. \$100,000,000

Credito Italiano

(Incorporated as a Società per Azioni in the Republic of Italy)

LONDON BRANCH

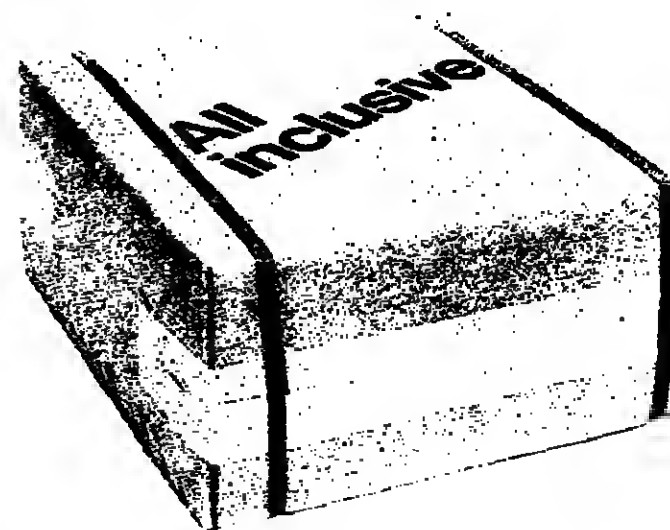
Floating Rate Depositary Receipts due 1992

issued by the The Law Debenture Trust Corporation p.l.c. In accordance with the terms and conditions of the Receipts and the provisions of the Agent Bank Agreement, notice is hereby given that the rate of interest for the initial interest period commencing June 5, 1985 has been determined at 7 1/4% p.a. The interest payment date will be December 5, 1985 and payment of \$403.43 will be made per US\$10,000 deposited and \$10,087.24 will be made per US\$250,000 deposited.

June 6, 1985

The Chase Manhattan Bank, N.A., London, Agent Bank

## In the heart of town by 4.15 pm – the pacemakers have arrived.



Eurapid is the European express system par excellence which is (already) completely at home in nine countries: Austria, Belgium, the Federal Republic of Germany, France, Great Britain, Ireland, Luxembourg, the Netherlands and Switzerland.

Eurapid transports everything, with very few exceptions. From door to door. With guaranteed running times and tariffs in which everything – and we mean everything – is

included. As well as a reassuring transport insurance.

Cross my heart: Even when handling express consignments, there are moments when every moment counts.

**EURAPID**  
Express par excellence.

Birmingham: Overall, Sutton Coldfield: Tel. 021/351 7474. Bristol: Gentransco, Avonmouth: Tel. 0272/829 188. Glasgow: Overall, Paisley: Tel. 041/859 0616. London: Overall, Southend-on-Sea: Tel. 0702/549 245. Manchester: Overall, Manchester: Tel. 061/848 7981.

U.S. \$100,000,000 Guaranteed Floating Rate Notes due 1992

Lloyds Eurofinance N.V.

(Incorporated in the Netherlands with limited liability)

Guaranteed on a subordinated basis as to payment of principal and interest by



Lloyds Bank P.L.C.

(Incorporated in England with limited liability)

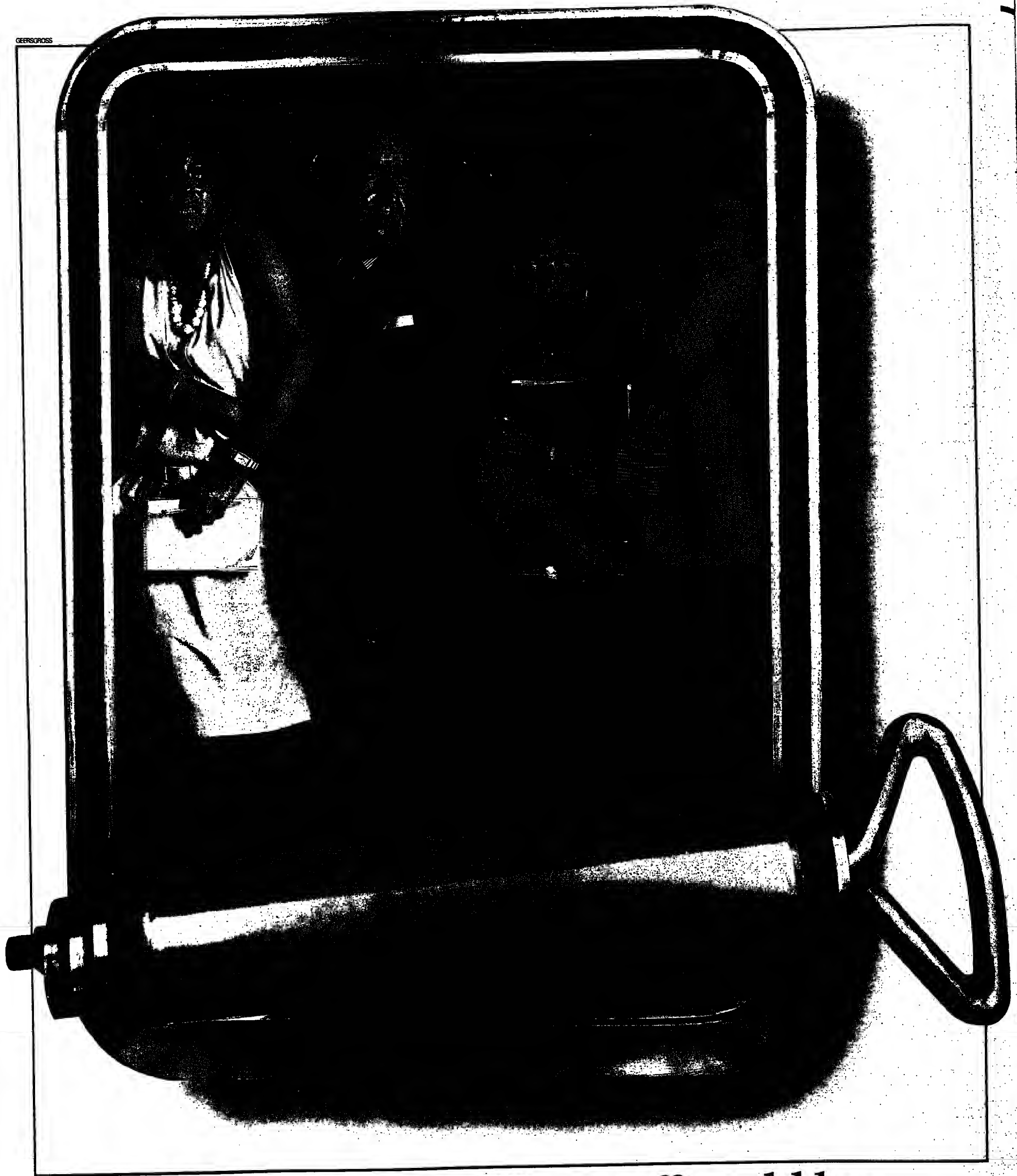
In accordance with the terms and conditions of the Notes and the provisions of the Agent Bank Agreement between Lloyds Eurofinance N.V., Lloyds Bank P.L.C. and Citibank, N.A., dated December 2, 1980, notice is hereby given that the Rate of Interest has been fixed at 8 1/4% p.a. and that the interest payable on the relevant interest payment date, December 6, 1985, against Coupon No. 10 will be US\$204.32 per US\$5,000 Note.

June 6, 1985, London  
By: Citibank, N.A. (CSSI Dept), Agent Bank

CITIBANK



GEERS/ROSS



## Office planning. Your staff could be closer to the problem than you are.

Making the best use of your office space can be a pressing problem.

Especially for your staff. After all, morale and productivity are both bound to suffer if your office is outdated and inefficient.

But no matter how squeezed you might be, Steelcase can help you plan and create a working

environment that really does work. With the latest technology in mind.

Giving you an unbeatable choice of quality furniture with our international dealer network and local after-sales service firmly behind it.

Find out more about how Steelcase can help your office work more efficiently by writing to:

Steelcase Strafor, 100 Avenue Road, London NW3 3HF. Or telephone: 01-586 5933.

You may well find we can give your business a little breathing space.



Furnishing you with a better office.



# Accountancy Appointments

## Financial Systems Development Manager

South Coast

c£17,000+car

This new appointment, reporting to the Managing Director, is necessitated by planned growth of a well established and profitable financial services group which has recently strengthened its senior technical team.

The person appointed will review and refine accounting systems, develop new group computerised cost and total financial control procedures on both a departmental and individual project basis. Previous experience of reporting to an American parent company would be an advantage.

This is an attractive opportunity for a creative Chartered Accountant to join a dynamic, expanding, profit conscious business offering personal career development prospects.

To the salary, negotiable as indicated, will be added a subsidised mortgage arrangement and private medical plan. Relocation assistance will be provided, where appropriate.

Please send adequate particulars, in confidence, to John Finnigan of:

**John Finnigan International**  
Management Consultants  
c/o 44 Wellington Street, London WC2E 7DJ.

## Financial Management

Major UK retailing company

Thames Valley

£23,000+ Car

An impressive record of growth (annual turnover £250m) and the introduction of new accounting systems has created the need for a senior financial manager at the corporate headquarters of this leading fine retailing company.

Controlling some 70 personnel, this managerial role will encompass responsibility for broad based head office and mainstream financial accounting in addition to accounts payable control.

A qualified accountant, aged 30-40, you will ideally have a retail background with an in-depth knowledge of highly computerised accounting systems. A strong technical bias, proven man-

agement skills and the ability to communicate effectively at all levels of seniority are pre-requisites for this challenging position.

The highly attractive salary package will include a company car, BUPA, executive pension scheme and generous relocation expenses where appropriate. Prospects for promotion are extremely promising for the applicant capable of demonstrating a high level of performance and personal commitment.

Applicants should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive c.v., quoting ref. 260, at 31 Southampton Row, London WC1B 5HY.



**Michael Page Partnership**

International Recruitment Consultants

London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney



### MANAGEMENT ACCOUNTANT

The University has created a new post of Senior Assistant Accountant to strengthen its financial administration, particularly in the rapidly expanding field of externally-financed research and related activity. This is a challenging opportunity requiring an imaginative approach to a wide range of high-level demands for financial and management accounting services. A professional qualification is essential and candidates will need to demonstrate substantial experience in a relevant area. Previous university experience is not essential.

Salary will be within Administrative Grade III (£24,135 to £27,706 but subject to an expected increase from 1 April, 1985). Application forms and further particulars are available from the Registrar. Closing date 1 July, 1985.

Loughborough Leicestershire

## INFLUENTIAL ROLES IN COURSE DEVELOPMENT

Accountancy and Internal Audit  
From £10,480 to £17,485 (under review)

The Civil Service College is instrumental in ensuring that management level civil servants receive the training to carry out their duties to maximum effect. Challenging senior opportunities now exist for appropriately qualified professionals to make an important contribution to course development in financial management and internal audit within the Civil Service. Candidates will demonstrate extensive knowledge of their subject and a well-developed ability to communicate complex concepts clearly and authoritatively. Openings are in the following areas:—

### FINANCE & ACCOUNTANCY

#### Principal - Management Appreciation

To design, develop and direct courses for senior managers who require an understanding of the principles and techniques of financial accounting, cost and management accounting and government accounting, especially in the context of managing Government Departments.

Successful candidates will be appointed as permanent members of the Government Accountancy Service, with the opportunity for transfer to other accountancy work after 3-5 years' lecturing. The minimum entry age is 28, although younger candidates with exceptional qualifications may be considered. Applicants should be members of one of the following bodies:— ICMA, CACA, CIPFA or ICA (England, Wales, Scotland, Ireland). For all posts, teaching experience, ideally in adult education, is desirable. The salary range (under review) for Principal posts is £12,895 - £17,485 and for SEO posts £10,480 - £13,140, (in addition £1300 inner London weighting where applicable). Posts will be based

### SEO - Practitioner Courses

Responsible for the preparation and presentation of lectures on accountancy subjects covering basic techniques and the practical application of principles.

### INTERNAL AUDIT

#### Principal

To design, develop and direct Systems Audit courses covering basic concepts and techniques for trainee internal auditors and Audit Management courses for audit supervisors and managers.

### SEO

To prepare and present lectures on internal audit covering such topics as internal control, systems approach, audit practice and techniques, audit management and operational techniques. Courses are geared to central government standards, departmental requirements and, if appropriate, examination requirements. NB: There is one vacancy in Internal Audit. Level of appointment will depend on experience.

either at the London centre in Belgrave or at the College's residential teaching centre at Sunningdale Park, Ascot. RELOCATION EXPENSES MAY BE AVAILABLE.

For further details and an application form (to be returned by 28 June 1985) write to Civil Service Commission, Alcon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0266) 468551 (answering service operates outside office hours). Please quote ref: G/6560/1.

The Civil Service is an equal opportunity employer

**CIVIL SERVICE COLLEGE**

## Group Financial Accountant

London

c£30,000+full details

Guinness PLC, a dynamic and expanding international Group involved in Brewing world-wide, Retail, Health and Publishing, wishes to recruit an outstanding financial Manager to the position of Group Financial Accountant, an opportunity that has arisen due to internal promotion.

Reporting to the Group Chief Accountant, the successful applicant will be responsible for all aspects of Financial Accounting, Policies and Procedures throughout the Group and for the preparation of the Group's published accounts.

Preferred applicants will be those aged 30 to 40, with a recognised qualification and post-qualification experience with a major firm of accountants plus practical expertise gained in a large industrial, publicly quoted company and familiarity with Head Office reporting procedures. They must be highly motivated, prepared to work to tight deadlines, deal successfully with senior management and motivate supporting personnel.

This appointment offers excellent experience and the opportunity to develop one's career in a large and expanding Group and thus, the post attracts a correspondingly attractive compensation package including car, profit share and bonus. Removal costs will be reimbursed if necessary.

Candidates should write in strictest confidence enclosing a fully detailed CV plus current salary and quoting MGS/7164 to Michael R. Andrews, Executive Selection Division, Price Waterhouse, Southwark Towers, 32 London Bridge Street, London SE1 9SY.



### ASSISTANT FINANCIAL DIRECTOR

A Lloyd's Broker with international connections wishes to appoint an Assistant to the present Financial Director with a view to succession within three years. Candidates must be qualified and have the insurance market. They must also have the financial flair to assist in creating opportunities to expand the group. Practical experience in Data Processing will be essential. Salary and benefits will be commensurate with the successful candidate's qualifications and experience.

Write Box A902, Financial Times  
10 Cannon Street, London EC4A 3DF

### West End CA

Requires young CA for general audit and professional work. No sex discrimination. Also, retired CA to undertake assignments on freelance basis.

Write Box A902  
Financial Times  
10 Cannon St, London EC4A 3DF

## FINANCIAL ACCOUNTANT

Our London Market insurance operations are developing and we are now seeking an Accountant to take responsibility for managing the financial accounting function and for the implementation and further development of a new computerised accounting system.

Candidates must possess a recognised accountancy qualification together with several years' experience in commerce or industry. This must include familiarity with computerised systems but previous experience in the insurance industry is not essential.

Equally important are the personal qualities that will enable the person appointed to liaise effectively at subsidiary Board level and to lead and motivate staff, working within tight schedules and identifying possibilities for improvement.

This position is based in our Croydon office and the salary will be not less than £14,000 per annum, in addition to which are excellent fringe benefits including a mortgage subsidy and a non-contributory pension fund.

If you would like to be considered please send full career details in confidence to: Mr. J. Atkinson, Group Assistant General Manager, Minster Insurance Group, Minster House, Arthur Street, London EC4R 9BJ or telephone our 24-hour Answering Service on 01-283 2792 for an application form.



**MINSTER INSURANCE GROUP**

## FINANCIAL CONTROLLER

London

£18-25K + Car

Our client is a US firm, a brand leader with international trading activities throughout the World.

Due to sustained growth they wish to recruit a young, qualified accountant as a key member of their Mediterranean executive team.

You will be responsible for financial reporting to the corporate centre. Responsibilities include the analysis of high value ad hoc projects, cash flow forecasts, budgeting and the provision of management information.

Aged 28-32, you will be self-confident, articulate with a good track record and strong entrepreneurial skills. Salary will depend upon age and post qualification experience.

Your name will not be released until we have briefed you and you have given your consent. Please write enclosing full CV to me, John Hardy, Consultant to the Company. All details are handled in strict confidence.

Business Development Consultants (International) Ltd  
63 Mansell Street, London E1 8AN.



## DIRECTOR OF FINANCE, KENT

Minimum £25,000 + Car + Stock Option

Denstrom International is a rapidly growing International Electronics Marketing Company with subsidiaries in the UK, USA and Japan. Reporting to the Chairman, the Director of Finance will be completely responsible for managing and developing finance and data processing activities, including corporate treasury functions, inventory control systems and negotiations with corporate investors and bankers. As a member of the executive management group he or she will be expected to contribute significantly to the Company's overall development and profitability.

The successful applicant will be a qualified accountant or MBA in the 30-45 age range, with considerable international financial experience. Ideally this experience will have been gained in a fast moving marketing and distribution environment. Considerable emphasis will be placed on personal qualities - a manager and strong leader of people with a persuasive nature, able to influence and manage change in a rapidly expanding environment. This is an outstanding position providing an excellent career opportunity for an ambitious and talented Financial Manager. The attractive negotiable remuneration package includes re-location assistance and reflects the importance the Company places on this appointment.

Write in confidence to: Mr. C. Hardcastle, Chairman  
Taylor Miller Group,  
Unit 4, Airport Trading Estate,  
Biggin Hill, Westerham  
Kent TN16 3BW



DENSITRON INTERNATIONAL

## CONTROLLER

A major petrochemical group seeks a young, ambitious accountant with proven management ability. Supervising a small professional staff, responsibilities will include recommending financial policy to the Managing Director, implementation of a new financial reporting system and maximising return on short term investments. Applicants should be qualified accountants with at least three years commercial experience and a working knowledge of Italian. Ref: CVW.

W. LONDON

c£20,000+ Car

## FINANCE MANAGER

A leading US pharmaceutical company can offer excellent career prospects to an ambitious, commercially aware accountant. Controlling all financial aspects of overseas operations in Africa, the Near East and Eastern Europe, key responsibilities include forecasts, budgets, review of business methods and assessment of operating performance. Candidates should possess good communication skills and a proven track record, preferably within a US multinational. Ref: GP.

HERTS

£17,500

## GROUP ROLE

Our client is a major group manufacturing and distributing products for the home improvement and furniture industries. A young, enthusiastic qualified accountant is required to strengthen the Head Office function and to assist with future expansion. This is a new position with key responsibilities for group accounting, forecasting, treasury analysis and may require visits to various operating units. Ref: SW.

CITY

c£16,000+ Car



## INSURANCE ACCOUNTANT

Required by Lloyd's Insurance Brokers based in the City within the Marine Department.

Responsibilities include credit control/account reconciliation with involvement in management reporting and funds management.

Applicants must have had previous experience with Lloyd's Brokers and computerised systems would be an advantage.

Please write for further details enclosing C.V. to:

Mrs P.M. Hogden  
Harris & Dixon (Insurance Brokers) Ltd,  
21 New Street, Bishopsgate,  
London EC2M 4HL.



# Accountancy Appointments

## Financial Director



London

£30,000+car & benefits

PPL is the largest independent UK supplier of application software packages. The Company is expanding rapidly both by organic growth and by acquisition; turnover is now around £10 million. The Company is very profitable and plans a full stock market or USM listing by 1986.

The Finance Director will report to the Chairman and will be responsible for all accounting and reporting for PPL, as well as monitoring the financial performance of other group companies particularly those in North America and the Middle East.

Candidates should be qualified accountants, probably aged over 35, with experience of all aspects of financial management. In view of the Company's plans, the ability to negotiate at a senior level with City institutions is desirable.

The personal qualities needed to succeed in this dynamic working environment include determination and initiative with good communication skills.

Please reply to Julian Wolf in strict confidence with details of age, career and salary progression, education, qualifications, and daytime telephone number, quoting reference 1462/FT on both envelope and letter.

**Deloitte  
Haskins + Sells**  
Management Consultants  
128 Queen Victoria Street, London EC4P 4JX

## Financial and business administration director

to £60,000



With a reputation for technical excellence and innovative product development, this British engineering group is a market leader in its sectors of the international capital goods market. Turnover is in excess of £150 million with significant contributions from overseas subsidiaries.

Working closely with the Group Managing Director, your role will be far-reaching, with the emphasis on business and profit planning, financial appraisal and the performance monitoring of operating units worldwide.

Apart from responsibility for the co-ordination of financial affairs, you will be fully involved in the strategic planning, administration and management of the group.

Aged from 40, applicants should be Financial Directors of major public manufacturing or engineering companies, working to a wide-ranging commercial remit, or, having held such a position, they may already have made the move into general management.

Please write, in complete confidence, enclosing a c.v., to M C Ward, Executive Selection Division, Ref: R405.

**Coopers  
& Lybrand  
associates**

Coopers & Lybrand Associates Limited  
management consultants

32 Farringdon Street  
London EC4A 4AQ

## Chief Accountant

c.£17,500

Central London

Health screening and preventive medicine is an expanding sector which is led by BUPA Medical Centres. With a network of Health Centres spanning the country, we are a growing force in a fast-developing market.

As a direct result of promotion, we are now looking for a Chief Accountant. Someone who can confidently assume responsibility for the total provision of financial services to BMCL Management and the main Board as well as for the management of Medical Centre accounting functions.

It's a demanding role which calls for an able, qualified, or possibly part qualified, Accountant. A professional with proven management experience who can lead and motivate a team of eleven people as well as demonstrate a firm grasp of computerised systems accounting techniques.

The starting salary (which includes London weighting), career prospects and the comprehensive benefit package - including free BUPA and life assurance together with a mortgage subsidy after a qualifying period, reflect the importance of this senior management position.

Please telephone for an application form and further details, or write with a full c.v. to Mrs. K. Youll, Personnel Manager, BUPA Medical Centre, Battle Bridge House, 300 Grays Inn Road, London WC1X 8DU. Tel: 01-837 6484.

**BUPA**  
Medical Centre

## AMES ADVERTISING

4A BIRKHEADS ROAD, REIGATE, SURREY RH2 0AR Tel: REIGATE (073 72) 22491

Our client, a highly successful organisation whose technical innovations and profit progression over the last 10 years, have earned them an enviable reputation, requires a

## FINANCIAL MANAGER

This is a newly created post based at their London office resulting from both recent and planned acquisition growth. Accountable to the Corporate Finance Director, the successful applicant's duties will include financial accounting, taxation planning, treasury function and investment appraisal.

Applications are invited from qualified Chartered Accountants, male or female, with a minimum of 3 years post qualification experience. The position would be most suitable for someone in the profession seeking their first commercial appointment or someone around 30 years of age in the commercial sector seeking a larger well diversified organisation with overseas interests.

The rewards for this post, which are in keeping with a successful progressive organisation, include competitive salary and company car.

All applications will be forwarded direct to our client, therefore, please enclose a separate list of companies to which your application should not be sent.

Please write in the first instance giving details of age, qualifications, experience and current salary to:

Ames Advertising (Ref: 5400/TF) 4A Birkheads Road, Reigate, Surrey RH2 0AR

## Major Retail & Wholesale Group FINANCIAL DIRECTOR

Herts/Middx Borders

c.£25,000 + Executive Car

Join the Board of a fast expanding Retail Group • Assume complete control of all Financial, Treasury & Administrative Functions • Advise on Computer Applications • Be an integral member of the Executive.

Our Client: One of the UK's oldest and most successful Retail Groups • Well sized units in 40+ U.K. towns • Fast expanding with substantial wholesale interests • Second generation family management, now anxious to institute a profit improvement programme and growth phase • The Group is cash rich and has a strong asset base; it is not geared.

Your Role: Reporting directly to the Deputy Chairman/Chief Executive, you will have complete responsibility for • Financial & Management Accounting • Treasury Management • Introduction of an improved management reporting & appraisal pack • Closely monitoring weekly performance • Budgeting & Variance reporting • Introduction of additional computer applications • New Site viability assessments • Counselling Retail & Wholesale companies management • Generally being an integral member of the closely knit executive team, responsible for the evolution of the business.

Our Ideal Candidate: An ambitious and highly commercially orientated Chartered Accountant aged 28 yrs-40 yrs, with a sound knowledge of Retail operations. You will • Enjoy responsibility • Be a strong manager with a total preparedness to have total involvement • Demonstrate the proven expertise to introduce modern accounting methods which are computer led.

Remuneration Package: A generous remuneration package will be provided to include: High basic salary + bonus + company car + pension + medicare + 4 weeks holiday.

ACT NOW! To learn more, telephone or write (in the strictest of confidence) providing a comprehensive curriculum vitae to the Board's Adviser: Mr. Michael A. Silverman (Director), on 01-388 2051 (24 hour answer phone: 01-388 2051) Quote Ref: 889

**MERTON ASSOCIATES (CONSULTANTS) LIMITED.**  
Merton House, 70 Grafton Way, London W1P 5LN  
Executive Search and Management Consultants

## Financial Controller

Manufacturing  
North West

c. £20,000  
+ car

A substantial and successful privately controlled manufacturer of soft furnishings, located in an attractive part of North West England, is seeking to appoint a financial controller to play a key role in the future development of the business.

The initial priorities will be to take over responsibility for all aspects of the financial control function and for the further development of the accounting and management reporting systems and to steer through essential improvements to the company's computer-based manufacturing systems. In the longer run a wider management role is envisaged and an early appointment to the board is planned.

The position demands an experienced and capable accountant (preferably chartered) who knows how to apply computer systems successfully in a manufacturing environment and whose longer term aims are oriented towards general management. The probable age range is 33-40.

If you feel you meet these requirements, please write in confidence, setting out brief career and personal details to Mr. C. J. McBride, Executive Selection Division, Peat, Marwick, Mitchell & Co., City Square House, 7 Wellington Street, Leeds LS1 4DW, quoting reference number L/307.

**PEAT  
MARWICK**

## AUDIT MANAGER STOCKBROKING/SECURITIES

To complement its developing activity in the stockbroking/securities market the BAI Group wishes to expand its Internal Audit Department through the creation of a specialist position of Internal Audit Manager - Securities.

The successful candidate will have primary responsibility for the internal audit of all aspects of the Group's stockbroking/securities operations which, following deregulation, will play an increasingly important role in its UK activities.

Ideally, applicants should be aged between 28 and 40, hold an accountancy qualification and have excellent analytical and communication skills.

Additionally they will have gained practical experience of securities operations management and be fully conversant with the audit of such activities.

Salary by negotiation.

Applicants should apply in writing, with a full curriculum vitae, to:

The Director of Audit  
Banque Arabe et Internationale d'Investissement Group  
BAI Management Services EC  
77 South Audley Street, London W1Y 5TA

## FINANCIAL DIRECTOR

£30,000 & CAR

CITY

My client, an established and leading Group in the Flat Glass Industry, has glazing contracting, glass merchandising and manufacturing subsidiaries mainly in the U.K., with corporate headquarters close to London Bridge.

As Financial Director, you will be part of the Group Board, a small team improving the efficiency and profitability of the Group.

Responsible for the accounting function and with total involvement on all aspects of financial policies, systems and planning, your entrepreneurial, business and decision making skills will be utilised to the full.

Candidates should have a manufacturing background ideally from the construction or similar type industry and be well educated ACA/FCA's with boardroom experience probably aged 35 to 45.

Please write in strict confidence, enclosing a full C.V., to Bob Levine

**RJL MANAGEMENT & RECRUITMENT CONSULTANTS**  
2, Beulah Close, Edgware, Middlesex HA8 8SP  
Tel: 01-958 7343

**RJL**

## FINANCIAL CONTROLLER

Our clients are a rapidly expanding computer company with offices in St. James and the Strand. The company is looking for a qualified accountant with at least two years' experience in commerce, aged under 35 and currently earning not less than £14,000 per annum, to report directly to the managing director.

Responsibilities would include the review, improvement and control of existing systems both financial and administrative.

A working knowledge of computer-based accounting systems is essential.

Working conditions and prospects are excellent.

Please write, enclosing a detailed c.v., to:

**PHILIPS ELL & GROSS**

(Ref: MS/1021)

54 Welbeck Street, London W1M 7HE

## Financial Controller

London

£21,000

Our client is one of the largest financial services companies in the US, and desires a quality financial controller with strong data processing skills, to head the financial operations of its investment branch in London.

The role demands a great deal of flexibility and involvement in financial administration: development and operation of the existing computerised systems, the upgrading of management reporting, and a close interface with investment personnel will be important dimensions of this position.

Qualified accountants with a working knowledge of computerised systems are sought to fill this new and challenging position. Ideally, you will be a graduate, with at least three years post qualifying experience in finance, preferably in an investment house. The post required a highly motivated, self-starter with an outgoing personality.

Initial compensation for this position is in the region of £21,000. A bonus scheme, company car, pension and benefits are anticipated.

Applications should be made in confidence enclosing a full CV and quoting reference MCS/5037 to Barrie A. Whitaker, Executive Selection Division, Price Waterhouse, Southwark Towers, 33 London Bridge Street, London SE1 1SY.

**Price  
Waterhouse**  
Business Needs Experts

## Financial Accountant

The City

c.£16,000

Dow Financial Services Limited is the holding company for a worldwide banking and financial group serving a broad based clientele in over 60 countries.

This high profile role, within a compact and professional accounting team, reports to the Group Financial Controller and involves considerable senior management liaison in relation to annual profit plans and control analyses.

Aged 25-30, you will be a recently qualified ACA with perhaps one year's commercial experience. Some practical knowledge of US

accounting principles is essential and familiarity with personal computers would be advantageous.

Self-motivation, dedication and commitment will be among the personal qualities required for this demanding but well-rewarded position, and for the right candidate, there will be excellent prospects for promotion and international travel.

Applicants should contact Barbara Taylor ACA on 01-242 0965 or write to her at Michael Page Partnership, 31 Southampton Row, London WC1B 5HT, quoting ref. L2040.

**Michael Page Partnership**  
International Recruitment Consultants  
London Bristol Birmingham Manchester Leeds Glasgow  
Brussels New York Sydney



# Accountancy Appointments

The Civil Service is unmatched in the impressive range of work it can offer qualified accountants. Their skills are instrumental in every sector of national government, so, not surprisingly the challenges and responsibilities are exceptional. Opportunities now exist for experienced professional accountants to take up principal posts in the following areas:

You will act as a Financial Advisor to the Inspectorate, providing advice on police service finance and setting up field tests to explore the practical application of the proposed financial information system. You will also assemble and interpret financial information on forces for use as part of the inspection process. The post will also involve advising on proposed police budgets for new joint Boards, liaising with the Audit Commission and CIPFA and providing an in-house service to various Home Office departments.

Further details are available from Mr C Vessey, telephone 01-213 7396.

The Enquiry Branch undertakes detailed investigations into suspected cases of serious fraud in business returns and accounts and examines the work of practising accountants thought to be implicated. You will work with HM Inspectors of Taxes, advising on accountancy law and practice and providing them with accountancy support in their investigations. In addition, you will have personal responsibility for conducting investigations into a selection of your own cases. Post-qualification professional office experience is essential.

Further details on these London and Nottingham based posts from Mr K Shaw, telephone 01-438 6868.

The Branch is responsible for the independent and continuous review of the Department's management systems. You will lead the audit section for divisions concerned with non-financial industries and support for innovation. This will involve managing the section's workload, directing and monitoring audits to professional standards, contributing to section and branch training and maintaining good relations with the divisions within your territory. You will have recent audit management experience and an up-to-date knowledge of modern internal auditing. Computer knowledge is an asset.

Further details can be obtained from Mr W A Methven, telephone 01-216 3596.

All applicants must possess a professional qualification (CACA, ICA, ICMA or CIPFA) and demonstrate considerable professional experience and initiative. SALARY (under review): £12,895-£17,485, £1300 higher in London. Starting salary according to qualifications and experience. Promotion prospects. RELOCATION EXPENSES MAY BE AVAILABLE.

For further details and an application form (to be returned by 26 June 1985) write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 468551 (answering service operates outside office hours). Please quote ref. G3686/4.

The Civil Service is an equal opportunity employer

## Financial Controller & Company Secretary London

For a fast growing investment banking company with ambitious plans for further development.

In this post you will report to the Managing Director and be responsible for the group's financial accounting and administration as well as for all aspects of financial planning and control. You will work closely with professional advisers on property, legal and tax matters and act as Secretary to the Board.

The person we are seeking will be a qualified accountant aged around 30 with a background of sound professional or commercial experience. An equity participation is envisaged. In the medium term there should be an opportunity to join the Board.

Please write in confidence, with brief c.v. to:

Walter Judd Limited (Ref L667)  
(Incorporated Practitioners in Advertising)  
1a Bow Lane, London EC4M 9EJ.

## FINANCIAL CONTROLLER BEDFORD

The National Freight Consortium is a large and expanding group based in Bedford. We have interests in transport, travel and property throughout the United Kingdom and overseas. Our Property Group manages almost all of the UK property. Its role is to optimise the use of operational sites and achieve a more balanced property portfolio through the sale or redevelopment of non-operational holdings.

This group now requires the additional assistance of a Financial Controller to support the Group Finance Director and manage the small accounting team. Estate management and accounting are run through one integrated computer system so excellent levels of service must be maintained for the benefit of all the group's operations.

This new post will be a demanding one but will offer excellent opportunities for an ambitious, fully qualified accountant. The successful candidate must be experienced in all aspects of financial management but particularly in management accounting. He/she must be accustomed to managing a team and be prepared to operate as part of a small, mutually dependent team. Good written and verbal skills are vital, as is experience of working in a highly computerised environment. The initial salary will be about £18,000. In view of the nature of the job a company car will be provided. Other benefits are those of a large organisation. NFC is an employee owned and there is opportunity for new employees to purchase shares.

If you are interested in this vacancy, please telephone:

MRS ELIZABETH TUDOR, NATIONAL FREIGHT COMPANY, BEDFORD MK44 1DN 298  
for further details and an application form

**NFC**

## Financial Controller Director Designate in excess of £20,000 + benefits London SW1

Our client, an expanding hotel and leisure company, presently owns three prestigious units in London and to the west of London. Within the near future the Company intends to seek a quotation for its shares.

Major plans for expansion now demand the appointment of a Financial Controller and assume full responsibility for financial and secretarial activity. Specific emphasis will be placed on the enhancement of accounting procedures and the development of computer based management information systems, and participation in the strategic and commercial decision-making processes can be anticipated.

Preferably in their early 30s, as well as being qualified accountants with proven ability to apply shrewd business judgement to the preparation, analysis and control of financial data, candidates should be fully prepared for a detailed involvement in the day-to-day financial operation of the business.

This newly created position commands a highly competitive negotiable remuneration package including company car, PPP and contributory pension scheme. Career development will be measured by results; the successful applicant can anticipate promotion to director level within the short term and, in due course, participate in a share option scheme.

Please write with CV, in strictest confidence, to Geoff Barnes,  
Casson Beckman,  
Chartered Accountants,  
27/29 Queen Anne Street,  
London W1M 0DA.

## Finance Manager

Addlestone, Surrey  
£20K + 2 litre car

Plessey Displays is a leading European supplier of high technology display systems for the home and export market.

We now seek a highly experienced professional to be responsible to the Finance Director for the accounting of major UK and US government contracts and projects ranging in value up to £20 million. This work offers opportunities for high-level financial management, with personal control and direction of a small professional team of Management Accountants. Duties cover the whole spectrum, from the preparation of business budgets and review of business performance against budgeted targets to the appraisal of capital expenditure programmes and specification and implementation of enhancements to business computer systems.

The successful candidate, over 30 years of age, will have considerable experience in systems accounting and management accounting, and the stature to deputise for the Finance Director in his absence.

In return we offer a salary up to £20,000 plus a 2 litre car, excellent working conditions and benefits - and every prospect for rapid promotion in the financial field.

For further details and application form, please contact David Muntzer, Personnel Executive, Plessey Displays, Station Road, Addlestone, Weybridge, Surrey KT15 2PW. Tel: Weybridge (0932) 47282.

**PLESSEY**  
electronic systems

## Chief Accountant Full accounting responsibility in a dynamic environment

London, SW1 to £18,000 + car

SIA is the UK subsidiary of Europe's largest computer services group. The company is a supplier of specialist software and bureau services and a leader in many of the markets in which it operates.

A qualified Accountant is now sought to take full responsibility for our accounting function. This will encompass budgeting, forecasting, management reporting and all aspects of financial accounts.

It is a key executive role demanding strong commercial awareness and the ability to exercise firm financial control. This will have been gained from a wide experience of controlling an accounts department in a commercial environment, ideally with the additional ability to develop and enhance complex accounting systems.

Please write with full details and CV to:  
The Financial Director, SIA Computer Services,  
Ebury Gate, 23 Lower Belgrave Street,  
London SW1W 0NW.

**SIA**  
COMPUTER SERVICES

## OPERATIONAL AUDITOR

£16,000 + car

London based public company in the leisure industry offering a positive career path. Work involves ad hoc assignments, investigations and acquisitions with some overseas travel. Ref AT/285

**THE PERSONAL SERVICE**  
ACCOUNTANCY ASSOCIATES LIMITED  
Incorporating Accountancy Recruitment  
5 VISO STREET LONDON W1X 1AH TELEPHONE 01-438 3387 TELEX 27789

## MORGAN STANLEY INTERNATIONAL MANAGEMENT OPPORTUNITIES FOR RECENTLY QUALIFIED ACCOUNTANTS IN EUROBOND SETTLEMENTS

Use your accounting, control and systems skills to pursue an exciting career in the fast changing International Securities Industry. Morgan Stanley's rapid growth in the past two years has created a number of opportunities for young qualified accountants to join our Operations Control, Trader Support, and Cash and Securities Movements departments. Successful candidates will have the opportunity to move quickly into supervisory managerial positions in a dynamic organisation.

### Our Programme Offers:

- An outstanding compensation programme, with compensation heavily geared to performance and the ability to take on increasing levels of responsibility.
- A means of establishing a high-growth career in a challenging industry, working closely with our sales and trading staff to solve problems, implement new products, and maximise the income of the firm. Extensive training will be provided.

### We Require:

Bright, highly motivated individuals with strong academic and career records, who want to develop into hands on managers with a firm which is a leader in its field. Please send your curriculum vitae together with a cover letter in which you detail your accomplishments and your qualifications to:

Personnel Department,  
Morgan Stanley International,  
Commercial Union Building,  
1 Undershaft, Leadenhall Street,  
London EC3P 3HB.

## Deputy Group Audit Controller

London

Our client, an international public limited company, one of Britain's top 100, is looking for someone capable of taking over from the present Group Audit Controller in a year's time.

Reporting to the current Group Audit Controller you will have wide responsibilities which will include reviewing the records, systems and operations of the three major and other minor divisions in the Group. The Group's activities are mainly within the U.K. with steady overseas expansion.

Aged 32-40, you should be a qualified Accountant with some commercial experience preferably in a leisure or service orientated industry. A further advantage would be a background which includes appreciation of systems relating to the recording and management of substantial day to day cash transactions. Most of the Group's accounting systems are computerised.

The starting salary will be negotiable. Working conditions are first-rate, and a comprehensive benefits package includes share schemes and a company car.

**Confidential Reply Service:** Please write with full CV quoting reference 1955/RS on your envelope, listing separately any company to whom you do not wish your details to be sent. CVs will be forwarded directly to our client who will conduct the interviews. Charles Barker Recruitment Limited, 30 Farringdon Street, London EC4A 4EA.

**CHARLES BARKER**  
ADVERTISING · SELECTION · SEARCH

## European Controller

Richmond

up to £30,000

Our client, CACI is an international professional and high technology services organisation with clients in government and commerce. Founded in 1962, CACI is a leader in information systems, proprietary software products and market analysis services.

They wish to appoint a European Controller, to contribute to company profitability by the professional application of financial controls and the maintenance of accounting standards in Europe.

Candidates must be Chartered Accountants, educated to degree level with at least four years' commercial experience. Broad tax knowledge, combined with experience of US reporting will also be sought.

The position will appeal to an ambitious, highly energetic self-starter, probably in his or her early thirties with experience of working in an international computer software oriented organisation.

Rewards are high, reflecting the importance of this influential role. In addition to the salary indicated, there is a quality car, private medical insurance, pension and significant growth opportunities.

Candidates should apply in confidence, enclosing a full CV to Barrie A. Whitaker, Price Waterhouse, Executive Selection Division, 32 London Bridge Street, London SE1 9SY, and quoting reference MCS/5038.

**Price Waterhouse**  
Business Needs Experts

## A BOARD APPOINTMENT

With Financial and Commercial responsibilities, and with the capability and experience to DEPUTISE FOR THE MANAGING DIRECTOR.

engloss Leicester

Excellent Remuneration  
Package

● Our client, The English Glass Company Limited, manufactures for demanding OEM specifiers, high-performance plastic, glass and ceramic components. Significant exports feature in a profitable sales turnover exceeding £3.5m. A high return on capital over several years has resulted in a strong cash position, and volume growth is planned both through new products and acquisitions.

● Reporting to the Managing Director, an experienced general manager/director, probable age 35-45, is now sought to contribute to the implementation of the growth plan. Previous senior financial management experience in an appropriate environment is essential.

● The remuneration package is negotiable.

● Candidates, male and female, please write to David T Bentley, Senior Consultant, 3i Consultants Limited, Headrow House, The Headrow, Leeds LS1 6ES, or telephone Leeds (0532) 459469 (24 hr confidential reply service), for further details and an application form, quoting Reference DB/535.

**3i Consultants Limited**  
Recruitment Division



## THE ARTS

## The Overgrown Path/Royal Court

Michael Coveney

Robert Holman's slippery, insidious and finally remarkable new play opens with a group of Japanese children performing a play about how their teacher survived the destruction of Nagasaki. The show is witnessed by a guilt-ridden etymologist, Daniel Howarth, and his wife, Beth. They have returned to Japan to try and find the girl Beth tended when serving with the American Red Cross at the end of the war.

That first scene, as charming as it is surprising, is an apparently unconnected prelude to the play proper, which is set on the sun-baked Greek island of Tinos where the Howarths have retreated from the academic rat-race. Their Japanese expedition punctuates an idyll of mystery and painstaking revelation as Sue Plummer's exquisite design of white hot walls, gnarled and curling trees, a flat beach, half covered in fishing nets, all beautifully lit by Peter Mumford.

Holman is here combining the deft, reverberative naturalism of his earlier Bush Theatre

plays with the large-scale promise of last year's *Other Worlds* and *Today*, a rambling but curiously compelling piece about England and the Spanish Civil War that is still in the RSC's Pit repertoire.

His ability to suggest a quality of "life lived" is rooted in a detailed account of character's backgrounds. This is not done by crass exposition. Howarth's background, for instance, really comes in to focus when the visiting Cambridge graduate, Nicholas Marks, stirs memories of an old physics teacher at Manchester Grammar School, Nicholas himself is unravelling, as it were, by Howarth's step-daughter, Sarah, who is visiting the island subsequent to the death of her 66-year-old lover in Highgate.

You learn as much about that lover—an alcoholic painter whose voice has never broken—as about anyone else. Nicholas himself runs a newsagents in his native Yorkshire and is hunting a new impetus for his career. Deborah Findlay and Stuart Wilson as Sarah and Nicholas play their scenes with

tenacious energy and conviction, achieving the robust relationship of an independent woman and a susceptible homosexual before lightning literally strikes in a stunningly staged natural disaster.

For a two-hour play, *The Overgrown Path* is impressively economical, not a virtue you could claim for *Today*. Les Waters's Royal Court production seems both leisurely and well-paced from the opening encounter between Nicholas and Howarth. Peter Vaughan, an actor usually identified with weight and menace, lends Howarth a playful, eccentric demeanour, flicking his cigarette ash into a tray with deliberate stolidity and seeming to taunt the visitor by getting his name wrong.

Howarth imagines himself to be punished for his dangerous career first by the news of Beth's wedding, and then by the elation of the scenes around the letter's arrival from Athens is the one awkward spot in the staging) and then by the lightning disaster. As the dawn

comes up, Howarth and Beth decide to return to Japan gaining strength in the other's physical presence. They kiss passionately.

The modern Greek sense of past injustice and present aspiration is cleverly conveyed in Christopher Karalis's energetic local lizard lover and a sense of place emerges as strongly as does the reality of the inhabitants.

The theme of knowledge with responsibility echoes Broch's *Galeas* and Brecht's *The Good Soldier Schweik*. The *Genius*, while Louise Page's Salomika was another Court play to revive war-time ghosts around the Mediterranean. There are moments, very few, of unwanted precision and Bower's final Einsteinian speech about the dangers of scientific knowledge tumbles forth a little encrusted with cliché. But Mr Vaughan carries the moment magnificently, and the play ends on a confident yet quizzical dying fall with an assertion of human goodness through the spiritual integrity of the characters.

## Saleroom/Antony Thorncroft

## Hitler—for £700

Entrepreneur Paul Raymond is £200,000 richer today after selling off the contents of his London War Museum at the Whitehall Theatre, following the ruling by the Westminster City Council that the museum went against the designation of the theatre as a place of live entertainment.

Phillips organized the auction on the premises yesterday. Its best customer was Robert Lamplough, who is setting up the British Aerial Museum at North Weald, Essex, later in the year, and was anxious to buy the aeroplanes on offer.

He paid £24,000 for a Messerschmitt 109; £30,000 for a Spitfire Mk IX; and £9,000 for a Mustang. None of the planes has an engine. The Fleet Air Arm Museum bought a replica of the Sopwith Pup for £19,000, and a private American buyer secured a Heinkel for £24,000. Raymond had paid £26,000 for the plane at Phillips in 1983.

Everything had to go, and the lowest price paid was the £30 for a collection of wartime sheet music, including "When the lights go on again all over the world." A display of ration books and other wartime memorabilia made £90 while a group of sandbags and camouflage netting realised £90.

Top price among the models was paid for Hitler—for £700 for a dummy in full uniform. Goering and Himmler were valued at £650 but Rudolf Hess made only £240. Monty was knocked down for £600, while a model of a wartime paper seller fetched £110.

Having already disposed of the Whitehall Theatre, Paul Raymond's investment in the

London War Museum has brought him almost £2m.

Sotheby's had a great success yesterday with its sale of nautical memorabilia, bringing in £880,128 with just 2.4 per cent unsold. An American buyer paid £90,200 (against a top estimate of £30,000) for a picture of the Confederate war cruiser, the Shenandoah, which, during the American Civil War, destroyed 37 Yankee ships in eight months. It is shown in an 1865 painting by George Naipier engaging enemy ships. In 1971, Sotheby's sold the lot for £11,000.

The same dealer bought "The Royal Mail Steamship" entering Kingston harbour, an 1868 scene by Captain Richard Beechey, for £35,200. "The Grayling leading a race" by Antonio Jacobsen went for £48,400, even though it carried a £3,000 top forecast; subsequently, the ship was noticed to be carrying the flag of the New York Yacht Club, and the picture will no doubt cross the Atlantic.

Americans also were bidding to reclaim their past at a Christie's, South Kensington, topographical sale on Tuesday night. A view of New York from the south, painted in 1760 by Captain Thomas Davies, went way above estimate at £110,000 to a New York buyer.

In New York, Chinese ceramics from the J. M. Hu family collection, sold by Sotheby's, achieved a record auction total for a Chinese sale in the U.S. of \$3,950,265 (£3,038,665) and, arguably, a record price for any Chinese work of art at auction.

A wine jar and cover, decorated with a pair of the Jiajing period, was bought by the private Hong Kong collector, Mrs Theresa Lau, for \$120,000. This would make it a record in sterling terms with an equivalent of \$300,793, beating the \$720,000 paid for a blue and white jar in London in 1981.

But the dollar equivalent of that jar on this day was \$1.3m, showing the pitfalls in mentioning records in a period of inflation and fluctuating exchange rates. Mrs Lau was bidding in U.S. dollars. Sotheby's cannot claim a record for the jar; but even so, the price was around three times its expectations.

Also in the auction of just 70 lots, with only 3 per cent bought in, Mrs Lau acquired a rare pair of Ming blue and white bowls, also of the Jiajing period, for £166,538.

## Dance in New York/Clement Crisp

## Bach with Balanchine's bite

During these fine late spring evenings, the Lincoln Centre plaza teems with ballet-goers drawn to the twin temples of the State Theatre and the Metropolitan Opera House, where the New York City Ballet and the American Ballet Theatre are playing concurrent and neighbouring seasons.

Joining the throng last week, I saw performances which explain the exhilaration that some 6,000 devotees find nightly in the two theatres. What more characteristic of the city's amazing dance life than NYCB in *Concerto Barocco*, Bach interpreted by Balanchine, with the shining integrity of Merrill Ashley and Lourdes Lopez as the voices of the two violins; or the drive of the two minifurres Mr Martins and Suzanne Farrell in the *Balanchine/Stravinsky Symphonies* in Three Movements in which we can, after more than a decade, still see the dance of the future.

Two years after Balanchine's death, the company is given with undiminished rectitude. Such capital works as those I have mentioned, or *Four Temperaments*, look unimpaired, as clean to style as if their creator's eye was still intently upon them. New works about—I saw five novelties acquired this year, though all rather small in horizon. The problem for the NYCB is, inevitably, to produce choreography that will continue to outdistance the state of the art in the rest of the world.

Meanwhile, the NYCB was dancing superlatively well. Suzanne Farrell, one of its great glories, celebrated the 10th anniversary of *Tzigane*, that exercise in high kitsch as higher art which Balanchine made for her, with a performance astounding in its mustered sensitivity as in its voluptuous manner. Just as Ravel turned every cliché of gypsy fiddling into transcendental violin playing worthy of Paganini, so Balanchine metamorphosed the most blatant cliché of faunting into dazzling dance; and Miss Farrell revelled in every least back-and-forth complexity of step, seeming the exact and miraculous realization of the music.

La Valse has also returned to the repertoire. The incident is predictable enough as yet another dream waltz. Its interest lies in Miss McBride's potent dancing, drenched with feeling, and in Mr Andersen's subtle response to her, as waves of passion fan the embers of past love into a brief life.

The pleasures of the other short work from Mr Martins are owed to his buoyant treatment of three young male dancers. Eight *Maie* (a title explained by the fact that Mr Martins has used Stravinsky's *Eight Easy Pieces* previously in their piano version and now choreographs their orchestral form) sets the demi-caractère virtuosity of Gen Horuchi against the purer



Suzanne Farrell (centre) in "Tzigane."

atmosphere of isolation and sadness is established as we see her spotlight on a dark stage. She is visited by two different and irreconcilable lovers, the devoted and impassioned Alexandre Prota and more Costumes. It is lucky, and does not overstay its welcome.

Jerome Robbins' *Eight Lines* is also new this year. Turning once more to the musical minimalism he first considered in *Glass Pieces*, Mr Robbins uses Steve Reich's octet in its orchestral form. It is a portrait-tribute to Patricia McBride as a woman remembering a lost love, to Andersen.

The incident is predictable enough as yet another dream waltz. Its interest lies in Miss McBride's potent dancing, drenched with feeling, and in Mr Andersen's subtle response to her, as waves of passion fan the embers of past love into a brief life.

The pleasures of the other short work from Mr Martins are owed to his buoyant treatment of three young male dancers. Eight *Maie* (a title explained by the fact that Mr Martins has used Stravinsky's *Eight Easy Pieces* previously in their piano version and now choreographs their orchestral form) sets the demi-caractère virtuosity of Gen Horuchi against the purer

style of Pete Boal and Michael Byars.

There result fascinating variations and confrontations in which Mr Horuchi—small in stature; a giant in skill—contrives to come off best, with rippling footwork, great depth and luminosity to the settings. The ABT's artists manage the essential dramatic detail of the ballet very well, in controlled and clearly delineated characterisations: both company and choreography look fresh. The lovers, though, need more fire and impetuosity than Marianna Tcherkassky and Robert La Fosse provided; Romeo is a grand company vehicle, but its motor force comes from stellar interpretations at its heart.

About *Cinderella* I can but report that, though it is a popular success, I thought it charming and desperately unamusing, and that—greatest sin—it diminishes the power of Prokofiev's score. Cynthia Harvey, and light could not surmount the aridity of the title role; Kevin McKenzie shone as an elegant virtuoso in the Prince's variations but could nowhere find sustenance for a characterisation. The staging is hideous in Santo Loquasto's flashy design, and heartless in dramatic terms. It looks an expensive and vulgar Christmas work which obstinately refuses to work.

derella, now in its second repertory year, Nicholas Georgiadis has slightly reworked his design for *Romeo*, with costumes even more opulent and beautiful in use of velvets, and with lighting by Thomas Skelton which gives great depth and luminosity to the settings. The ABT's artists manage the essential dramatic detail of the ballet very well, in controlled and clearly delineated characterisations: both company and choreography look fresh. The lovers, though, need more fire and impetuosity than Marianna Tcherkassky and Robert La Fosse provided; Romeo is a grand company vehicle, but its motor force comes from stellar interpretations at its heart.

About *Cinderella* I can but report that, though it is a popular success, I thought it charming and desperately unamusing, and that—greatest sin—it diminishes the power of Prokofiev's score. Cynthia Harvey, and light could not surmount the aridity of the title role; Kevin McKenzie shone as an elegant virtuoso in the Prince's variations but could nowhere find sustenance for a characterisation. The staging is hideous in Santo Loquasto's flashy design, and heartless in dramatic terms. It looks an expensive and vulgar Christmas work which obstinately refuses to work.

## A Bloody English Garden/Bristol New Vic

B. A. Young

Where is this "South London," where Edward Bond set the young people stoning babies to death, and where Nick Fisher now presents three unemployed teenagers who live by theft and violence and speak with an excess of four-letter expletives? Does it bouse no honest, decent folk? Even *Maie* (Mary Sheen) the old lady at the centre of this rather improbable play at the New Vic—a joint production of the Bristol Old Vic and Bristol Express—steals, and concurs in stealing, all her life.

Mike (Richard Graham), the leader of the young trio, is doing a week's community service, tidying Maie's garden, which is deep in every kind of rubbish. (We have seen how he earned his sentence. He and his

metes Jimbo and Killer uproot and destroy some young trees; no doubt an ideal qualification for an unwilling gardener.) Maie's sentimental memories of the roses her late husband Johnny planted, now long gone, turn Mike into a devoted horticulturalist, however. He steals a harrowed of plants from the Garden Centre, plus a lawn's garden such as Maie can never have thought of. It must have been the talk of everyone in South London except the police, who never follow up the thefts.

Johnny is more than the plot of the self that Maie dusts every day and dreams of every night. We see him in close-up, Mike's double, when the date recedes from 1985 to the 1930s. Then, *Little Caesar* was on at the flicks, Jack Hyton

topped the charts, and Jimbo and Killer were their identical predecessors Colin and Staz (Neil Packham and Stephen Jameson). We see Johnny dancing a nightie xerot with Maie at the Hammersmith Palais. We see him, rather sketchily, blown up in a submarine; a misfortune for which Maie blames herself, for she urged him to join up rather than go on living by theft.

The author swamps his play in a naive wash of sympathy for the poor and disadvantaged, even for Killer, who is a British fascist in the 1930s and its equivalent today, the Jew-wrap ped for the Blacks. But the characters have no more depth than entries in a reference book, and a rather casual reference book at that. Mick Fisher is determined on a happy ending, for which he makes Maie die from hypothermia. The three heroes plant a stolen oak tree precariously in her garden.

Loose ends, fast through the play and in Andy Jordan's production; but we are cajoled into believing that it is all symbolic by the "theatrical" introductory words with which Mike opens the proceedings. Mick Fisher has written verse plays, and sometimes seems to remember it, vaguely, among his more demotic discharges. But it would be expecting too much to ask the company to play these parts with any real belief in them.

## American architecture

Gillian Darley

May 31 – June 6

In a city that grew from a village founded in 1837, and in a state which obtained its independence from Mexico in 1836 but did not join the U.S. until 1945, the establishment in 1981 of the Rice Institute at Houston, Texas, was an astonishing act of faith. It was the brainchild of a millionaire, William M. Rice, who did not live to see the outcome; he was murdered, aged 89, by his valet on behalf of a lawyer who was after his fortune.

Tha campus which Ralph Adams Cram (of Cram Goodhue and Ferguson of Boston) was commissioned to design late in 1909 was without precedent. Not for him "collegiate Gothic" à la Ivy League, or any of the existing "isms" that were in vogue. Cram laid out a Beaux-Arts plan and then looked for a style to suit the South. His choice fell upon a combination of Byzantine, Romanesque, even Moorish elements.

That background has gelled into one of the most cohesive university campuses in the U.S. But the latest addition, by Cesar Pelli and Associates, is more flamboyant, reworking several of the themes of Cram's architecture.

The building is Herring Hall, for the Jesse H. Jones Graduate School of Administration. Seen from the west it is a squat, barrel-vaulted building with a pattern of dispersed brickwork on its end wall. Windows are

used to reinforce the geometry of the design. It is forceful, self-explanatory (it is the library, double height beneath the lecture hall) and a kind of reprieve to the massive masonry arcades and arches of Cram's work.

But his example has not been ignored; linking the three blocks — library, lecture hall and a larger wing for students and administration—is a courtyard, alongside which runs a covered way, open-sided and formed by tubby columns. Externally, the original choice of stone and brick has been added to with a glazed, plum-coloured brick interspersed to emphasise the areas in which windows or parapets interrupt the surfaces. There is also ceramic tile and "spandrel" glass all making a rich, but economic, surface to the building—which is, in fact, steel-framed.

The strong patterning is the only showy touch in a set of buildings that are, internally, calm, both in spatial terms and in the choice of muted (and very fashionable) colours — grey, sage green, maroon, yellow and dusty blue.

Pelli is one of the small handful of modernist architects working in the U.S. (he is, in fact, Argentinian) who has not been tempted into the ice-cream war of frippery in high-rise buildings. It has left him a little out of the limelight, but with a reputation for integrity that goes beyond the hunger for novelty and a short, sharp blaze of notoriety.

## Arts Guide

## Exhibitions

## VIENNA

Vienna 1870-1930: Dream and Reality. The greatest names of the Viennese fin-de-siècle — Klimt, Otto Wagner, Schiele, Kokoschka, Adolf Loos, Josef Hoffmann — in a dazzling display of Jugendstil creative genius. The attempt to integrate the artistic achievements of this era with philosophical developments (notably Wittgenstein but also Freud) and political transformations (the emergence of municipal socialism on the ruins of Baroque splendour) is ambitious and only partly successful. The complex tension between autocratic and censured reality on the one hand and the illusions or fantasies of individual artists on the other is hinted at but not fully explored. A high point of the show is a reconstruction of Hoffmann's room at the secession exhibition of 1902. Here, triumphantly restored, is Klimt's fifty-foot Beethoven frieze

## NEW YORK

Metropolitan Museum: 30 objects from the period between the 1851 Crystal Palace Exhibition to the 1900 World Fair in Paris demonstrate the show's theme of Revivals and Explorations in European decorative arts. Ends Sept 5.

## WASHINGTON

National Gallery: Ancient Art of the American Woodland Indians in

## chudes 151 pieces covering 5,000 years of sculpture, ceramics, copper and shell objects of the native Americans who lived in what is now the eastern half of the U.S. Ends Aug 4.

NATIONAL GALLERY (West Bldg): 30 oil master paintings from the Dutch Picture Gallery are exhibited under the title *Collection for a King*, including works by Rembrandt, Van Dyck, Canaletto and Gainsborough. Ends Sept 2.

## CHICAGO

Art Institute: Though Edouard Manet made etchings primarily to reproduce and publicise his paintings, he developed a unique style as shown in the 27 etchings in this special exhibit of more than a third of his total output of 75 etchings. Ends Sept 2. Art Institute: With 200 of Marc Chagall's works on paper dating from 1907 to 1983, this show from the Centre Pompidou in Paris makes a good study of Chagall the draughtsman. Ends July 7.

## ITALY

Genoa, Palazzo Della Commenda: Japan — The Avant-Garde of the Future: Antique Kimonos from Kyoto form part of the historical section of a huge exhibition of contemporary Japanese art at various centres in Genoa. The series of early Japanese erotic prints (from the Museo Chiassone) — shown here for the first time in public — form an amusing contrast with Hajime Sorayama's sexy robots (at the Teatro Falcone), Venice, Palazzo Fortuny: Toys for the

science-fiction era, showing how vastly more sophisticated robots have become, since first produced in the 1950s. Ends July 14.

Rome, Galleria Carlo Virgilio, Via del Corso 10: Anton Smith Van Pelt (1917-1987): 27 landscapes in oil of Naples and surroundings of exceptional quality and charm. Piltco lived and left Holland with a Prix de Rome, and after study in Paris and Rome, settled in Naples and taught at the Accademia Borbonica. He had considerable influence on the development of Neapolitan landscape painting. Several of his works have echoes of Corot and of Turner, both of whom visited Italy during 1828. Ends June 14.

Naples, Museo di Capodimonte: The Age of Caravaggio, seen at the Metropolitan Museum in New York in February and March, is the first fruit of an agreement between the museum and the Italian Ministry. Besides 40 paintings by this extraordinary artist (some of not absolute certain attribution) there are works by Caracci, Reni, Bolognini, Elsheimer, Gentileschi and Rubens.

Florence, Palazzo Strozzi: The Renaissance in the 15th and 16th centuries. Artists: Kiyonaga, Utamaro and Eishi. 4th floor of Tobacco and Salt Museum, Shibuya. Until June 9. Part 2: June 19-July 14. Closed Mondays.

## WEST GERMANY

Cologne, Kunsthalle, Josef-Haubrich-Hof 1: "Ornamenta Ecclesiae." To underline the importance of the Romanesque churches, the Cologne Schatzkammer museum has organised an exhibition of roughly 600 religious works ranging from 11th to 19th centuries including illuminated manuscripts and gold artifacts. Ends June 9.

Cologne, Kunsthalle, Josef-Haubrich-Hof 1: "Ornamenta Ecclesiae." To underline the importance of the Romanesque churches, the Cologne Schatzkammer museum has organised an exhibition of roughly 600 religious works from 11th to 19th centuries including illuminated manuscripts and gold artifacts from all over the world. Ends June 9.

Berlin, Groupus Bau, Strassenmastr. 110 Berlin 61: Treasures of the Forthidden Cities. Timed to coincide with this year's Berlin Horizon 85, the Berlin Palace museum is coming to Europe for the first time, with roughly 120 works covering 3500 years of Chinese history.

BRUSSELS

Hotel Metropole is celebrating its 90th year and in its splendid *fin de siècle* public areas, round a visit

in themselves, they are exhibiting glass and objects d'art from the Belle Epoque to Art Nouveau including works by Voulens, Galle and Daum. Also on show are 100 illustrations of the artist's work, including a Press Bequet in 1893, Congo in 1898 and Sarah Bernhardt in 1896. Ends July 20.

NETHERLANDS

Paul Klee at the Commandario van St-Jans Museum in Nijmegen. 80 paintings, watercolours and drawings covering the years 1906-39 on loan from the holdings of the Kunststichting, Nordrhein-Westfalen. Ends June 23.

LONDON

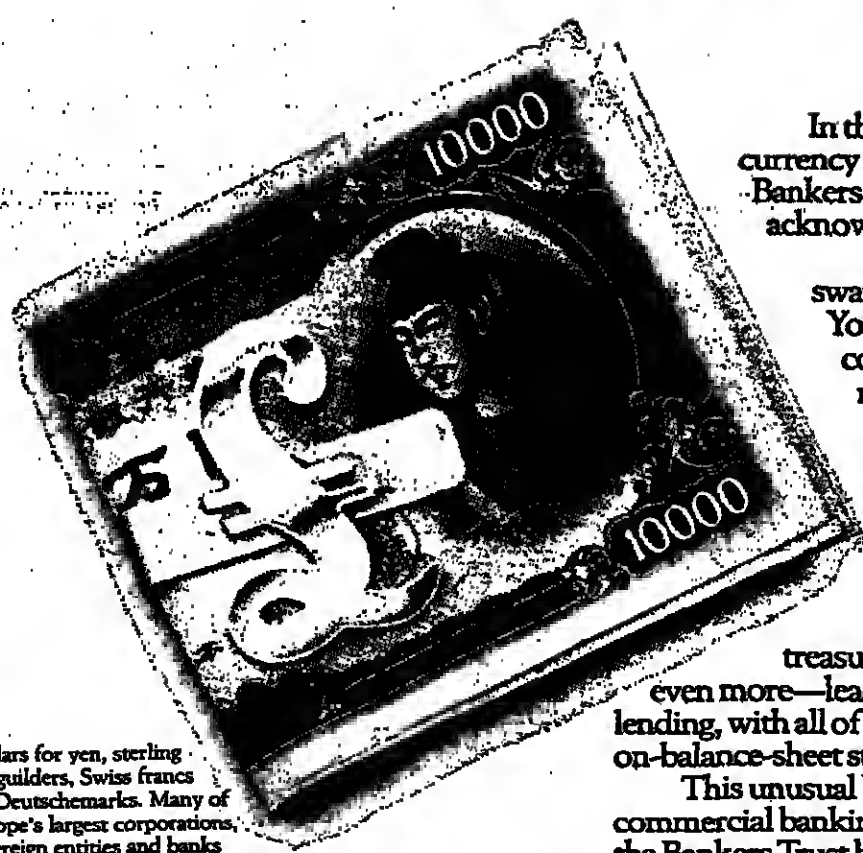
The Seashell Collection: Charles and Doris Saatchi have been collectors of contemporary art since 1970. The catalogue of their collection, *The Art Of Our Time*, is being published volume by volume, and a gallery established to make it available to a wider public. The gallery is an astonishing converted paint warehouse at 884 Boundary Road, NW8, that offers more exhibition space for temporary shows than any other gallery in London, except perhaps the Tate. There are to be three or four shows a year, of a few artists at a time.

The Hayward Gallery: Degree: The Painter as Printmaker — an Arts Council exhibition of the complete oeuvre of his etching and lithogra-



# Is the bank that lends you money a leader in currency swaps, too?

## Bankers Trust is.



Dollars for yen, sterling for guilders, Swiss francs for Deutschmarks. Many of Europe's largest corporations, sovereign entities and banks turn to Bankers Trust for their currency and interest rate swaps.

In the intricate world of currency and interest swaps, Bankers Trust is a universally acknowledged market leader.

In 1984, our team of swaps specialists in New York, London, and Tokyo completed an average of more than one deal every day.

Swaps transactions are one of the most sophisticated investment banking products available to the corporate treasurer today. But we offer even more—leadership in commercial lending, with all of a money center bank's on-balance-sheet strength.

This unusual blend of investment and commercial banking functions is typical of the Bankers Trust brand of banking. We call it "merchant banking." It combines the lending capability and breadth of non-credit services of a commercial bank with the intermediary skills and entrepreneurial spirit of an investment bank.

Our merchant banking skills are not limited to domestic financial services. They extend worldwide.

So they give our clients very real advantages in an increasingly internationalized world of finance. As in currency swaps, where knowledge of and familiarity with world capital markets is absolutely critical.

Our array of merchant banking services is broad and deep. So broad in fact, that many of our clients rarely if ever require the services of other major banks. Among the many services that we provide:

**Trading.** From our regional trading rooms in New York, London, and the Far East, we execute over \$18 billion in money, securities, and currency

transactions daily. Bankers Trust is today one of the five largest primary United States government securities dealers and one of the acknowledged leaders in foreign currency trading.

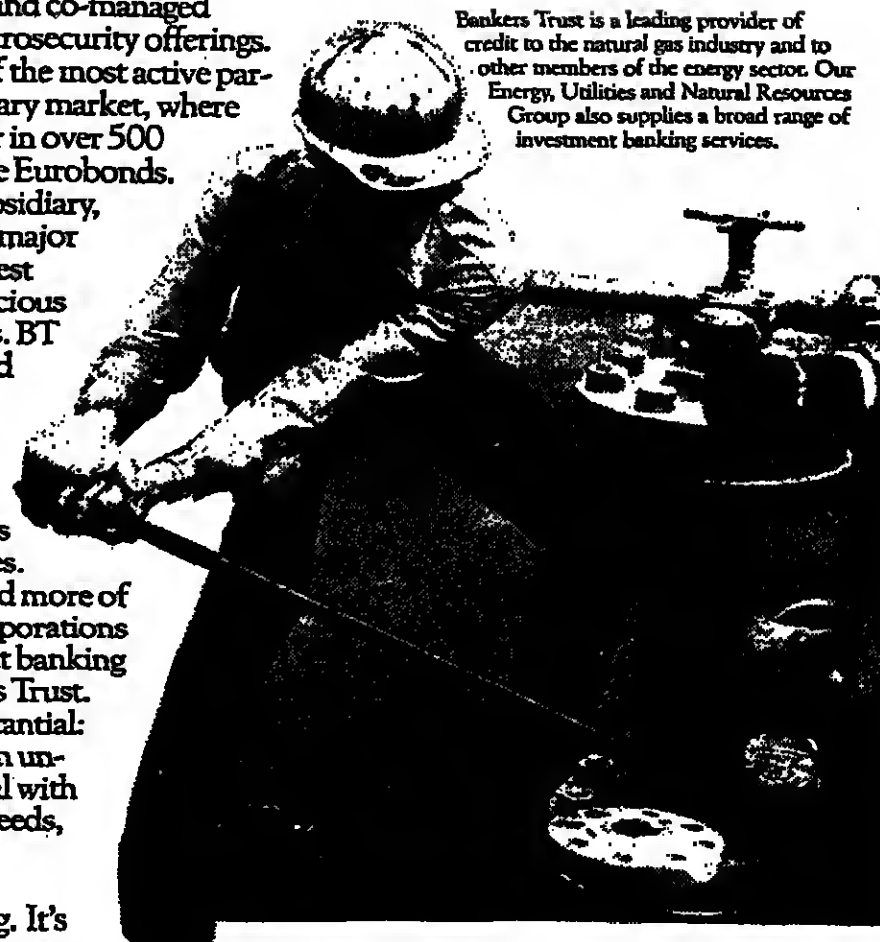
**Leasing.** Last year, Bankers Trust arranged lease financing of \$2.5 billion in equipment value of big ticket transactions. And for two straight years, we've arranged more leveraged leases than any other financial institution.

**Eurosecurities.** In 1984, we lead-managed \$2.2 billion and co-managed \$15 billion more in Eurosecurity offerings. Bankers Trust is one of the most active participants in the secondary market, where we are a market-maker in over 500 fixed- and floating-rate Eurobonds.

**Futures.** Our subsidiary, BT Futures Corp., is a major participant in the interest rate, currency, and precious metals futures markets. BT Futures Corp. executed over \$400 billion in contracts in 1984.

No bank—commercial or investment—offers its clients a wider range of services. Which is why more and more of the world's leading corporations are turning to merchant banking as practiced by Bankers Trust. Its advantages are substantial: worldwide expertise, an unsurpassed ability to deal with interrelated financial needs, and to offer unbiased financial advice.

Merchant banking. It's ideally suited to today's complex corporate banking needs. If you'd like to join the long list of clients now taking advantage of merchant banking, come to the bank that provides it: Bankers Trust.



Bankers Trust is a leading provider of credit to the natural gas industry and to other members of the energy sector. Our Energy, Utilities and Natural Resources Group also supplies a broad range of investment banking services.

**Bankers Trust Company**

Dashwood House 69 Old Broad Street London

Merchant banking, worldwide.



## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY  
Telegrams: Finantimo, London P54. Telex: 8954871  
Telephone: 01-248 8000

Thursday June 6 1985

## The case for Salt II

THE SECOND Soviet-American Strategic Arms Limitation Treaty (Salt II) of 1979 was never ratified by the U.S. Senate, partly in reaction to the Soviet invasion of Afghanistan, partly because the American right criticised the agreement as unfair.

Nevertheless, both superpowers have until now committed themselves, at least in theory, to the observation of the Salt II limitations, pending a new nuclear arms agreement in Geneva. The U.S. Administration is now considering, after consultations with its European NATO allies today and tomorrow, whether to stand by this commitment any longer. President Reagan will announce his decision on Monday.

There can be no reasonable doubt where his decision should lie. A decision must be taken soon, because the next U.S. Trident submarine, the USS Alaska, will start sea trials in the autumn. Since this would carry the U.S. above its Salt II missile limits, observation of the treaty would require the U.S. to remove another, older submarine from its nuclear arsenal. That is what the Administration should do, even if there is a respectable case for a partial declassification, as a compromise.

## Constraints

Inside the Administration, critics of the Salt II treaty also argue that the Soviet Union is already infringing the treaty limits, by developing two new land-based missiles when only one new type is allowed, and by encoding the signals used in missile testing. Therefore, they say, the U.S. is also entitled to infringe the treaty constraints.

If there is to be any argument in favour of Soviet U.S. infringement, it needs to be stronger than that. The Soviet Union may be violating the treaty in development terms, but it is not yet deploying more missiles than it is allowed. For the Americans to flout the deployment limits can only incite the Russians to follow suit.

This cannot be in the U.S. interest. So long as the Soviet Union respects the missile ceilings, it could, by the mid-1990s, increase its warheads by some

20 per cent. If missile ceilings abandoned, the Soviet Union could in the same period increase its warheads by some 50 per cent. If the Americans are worried by the number of Soviet warheads, the inference for U.S. policy must be clear.

If the case against Salt II is that it has failed to prevent a large increase in the numbers of warheads (on both sides), the case in favour is that, in the absence of these treaty limits, proliferation might be even more uncontrolled.

Moreover, Salt II does not, in present circumstances, pose a free-standing dilemma, but must be viewed against the background of the nuclear arms negotiations under way in Geneva. The question facing the U.S. Administration is not whether the existing restraints should be extended in perpetuity, but whether they should be observed pending a better agreement in Geneva.

For the moment these negotiations seem to be making no progress. There is no reason to suppose that the prospects will be improved if the U.S. deliberately announces a decision to overthrow the existing Salt II limits; there is even less reason to suppose that U.S. military security will be meaningfully enhanced by the addition of one submarine.

## Dismantle

There is a half-way house which would respect the spirit of Salt II while not quite respecting the latter: to take an old submarine out of active commission, but not to dismantle its missile tubes. In some ways, this might be less satisfactory than full compliance; but it would signal that U.S. compliance will be contingent partly on Soviet compliance, partly on the progress of the Geneva talks.

But whatever the narrow arguments, President Reagan's decision is bound to be scrutinised in Europe as a sensitive indicator of his Administration's attitude to arms control; for Washington's most influential critics of Salt II are also the strongest opponents of arms control in general. If he does not respect Salt II, the world will draw pessimistic inferences about his intentions in Geneva.

## The go-ahead for Stansted

NOBODY CAN be more pleased by the White Paper on airports policy than the British Airports Authority (BAA) and nobody less pleased than middle class Conservative voters in Essex. For its twin decisions are to give planning permission for the expansion of Stansted to 15m passengers a year and to privatise BAA as a single entity.

Of the two decisions, the development of Stansted, at the pace recommended by Mr Graham Eyre, QC, who headed the planning inquiry, will be the more unpopular, but the more easily justified. The Government's view is simply that air traffic is set to grow much more quickly over the next 15 years than can be accommodated at Heathrow.

No decision has yet been taken over the construction of a fifth terminal at Heathrow, but because it would involve the relocation of the sludge works at Perry Oaks, there are doubts that it could be in place in time to meet the expected surge in demand in the early 1990s.

## Rapid increase

Projections of air traffic have been unreliable in the past and it was once thought that Heathrow and Gatwick would be unable to cope with demand in the South-east as long ago as the early 1970s. The Department of Transport's latest estimates are that demand will rise from about 47m passengers this year to 77.4m by 1995 and 96m by 2000. This looks a very rapid rate of increase, but it must be remembered that between 1960 and 1984 demand at London's airports rose from 7m to 45m.

Even if the demand projections prove too buoyant, and even though the Government admits "too many travellers from the regions are forced to use the south-east airports," a modest expansion of Stansted looks the only rational solution. A majority of the residents in the Stansted area support expansion and the higher economic activity it will bring. Opponents of its development, at least, have the comfort that expansion will be phased and that growth beyond 7m-8m passengers a year will need explicit parliamentary approval.

The Government also intends to encourage the expansion of Manchester and other regional

airports but given the extent of the present diversion of passengers into the already overcrowded and noise-polluted south-east, its commitment here looks on the weak side. It might be possible to devise some explicit tax-based incentives to encourage airlines to make greater use of regional facilities.

It is easy to understand why Mr Nicholas Ridley, the Transport Secretary, has resolved to privatise BAA as a single entity: this is the course of least resistance and is likely to raise the maximum revenue for the Treasury. Once again, however, it seems that the Government may not be giving the goals of greater competition and efficiency the priority they deserve.

It is often argued that competition between airports, especially between those serving the same region, is impossible since the airports should provide complementary services for airlines between which the real competition can occur. This view is strongly challenged by a report by the Institute for Fiscal Studies (IFS) also published yesterday. The IFS is highly critical of BAA's present charging policies and implies that little will change unless the ownership of the three main London airports is divided.

## Uneconomic

The IFS report maintains that because BAA uses its highly profitable commercial services (food, drink and retailing) to finance uneconomic charges for airlines, it may be attracting an excessive amount of air traffic to London. If charging policies were more rational then some of the forecast traffic growth which justifies Stansted's expansion would go to other airports. In other words part of the air traffic headache has been created by BAA's uneconomic pricing.

Mr Ridley's decision to organise BAA's seven airports as separate companies under a single holding company should lead to greater financial transparency and the elimination of some cross-subsidies. However, that outright independence for the South-east airports would allow real competition and ease regulatory problems following privatisation needs to be carefully considered by the Government.

THE REIGN of Mr Roger Smith, the rather mild-looking accountant who became chairman of General Motors four years ago, is now unquestionably the most significant in the company's post-war history.

This 58-year-old veteran, widely written off as a grey Mr Average when he moved into the chairmanship, could scarcely have demonstrated his determination to change the direction of the company more than by taking over Hughes Aircraft.

The announcement yesterday that GM is to pay \$5bn for Hughes ends weeks of speculation about the fate of the Californian electronics, aerospace and defence group. Earlier this year the company had been put up for sale by the Howard Hughes Medical Institute, a move which attracted some of the highest names in Corporate America.

Hughes Aircraft is the high technology end-product of the machine shop where Howard Hughes, the brilliant, eccentric homo universalis of 20th century U.S. business, built his first racing planes.

The company has grown into one of the top 10 U.S. defence contractors, with a glittering list of products, including most of America's spy satellites and the first spacecraft to land on the moon. The challenge for GM is to link Hughes' electronics, high technology and endless search for new products, to the methodical engineering traditions of the motor industry.

Mr Smith said yesterday that such a linkage is vital to GM's future. "You have got to have the Hughes' and the EDSs (the data-processing company GM acquired last year) to be a player out there in the 21st century. We are going to build our company for the 21st century — we are not just going to stumble into it backwards."

Even before yesterday's announcement, Mr Smith had put his own very individual stamp on GM. After a shaky start, his outspokenness threatened serious embarrassment, but he has driven GM into so many new fields that this lumbering giant of manufacturing industry has begun to look almost entrepreneurial.

It has got together with Toyota, the U.S. motor industry's main Japanese rival, in a controversial small car manufacturing operation in California, pushed through a wrenching management reorganisation, negotiated a race new wages system in a face-out with the Auto Workers' union and, last summer, launched its first big diversification move — the \$2.5bn acquisition of Electronic Data Systems, the world's premier independent data-processing company.

Mr Smith also threw the normal caution of the industry to the winds by telling the world that GM had embarked on one of the most ambitious new product developments in the history of the industry.

As a result, the Saturn project to produce a small car capable of taking on the Japanese has become a real hostage



Roger Smith GM's chairman (left), moving into an area of high technology pioneered by the late Howard Hughes (right)

to fortune.

The acceptance of risks of this sort are now clearly characteristic of the Smith regime. There are conservatives within GM, for example, who fought the EDS deal from the start and still think it will be a disaster.

Part of the idea in buying the data processor was to give GM an integrated information system that would link the factory floor with the chairman's office, ridding the organisations of the rigidities that had grown up in the piecemeal development of computerisation in the company.

Inevitably the influx of the EDS new guard has caused enormous friction. But the acquisition of Hughes Aircraft marks a different sort of risk. Based in California, the aerospace company will be run as a separate entity and will make no immediate challenge to GM's corporate culture.

It is also profitable, has a long order book, and an evidently successful management. The question is, though, should GM be spending so much money in an industry about which it knows very little at a time of unparalleled challenge in its own base market?

The challenge has only recently been underlined by a controversial Commerce Department report which argues that imports will increase their share of the U.S. car market from 25.5 per cent last year to 36 per cent by 1988.

The ending of the unofficial quota restrictions on Japanese imports earlier this year is already beginning to gnaw away at the position of the U.S. manufacturers. The Japanese, mean-

while, are stepping up their U.S.-based production and Hyundai of South Korea is putting together a dealership organisation to begin a further attack on the market from South East Asia.

Many people believe that GM should not be taking its eye off this particular ball at the moment to toy with the aerospace sector. "They are using a good chunk of their cash when financial conservatives think it could be better spent buying in their own stock and increasing dividends," says Mr David Healey, a motor industry analyst at the Drexel Burnham Lambert securities house. "If they want to spend their money it should be in the auto business to cut their costs."

Mr Healey and other critics also argue that Hughes' impact on the auto group will be so marginal that it is not worth the price. Despite the glamour and prestige of the aerospace company, it remains a minnow beside its new parent, with sales of around \$5bn against GM's likely \$100bn this year. "It is very difficult for any company the size of GM to diversify

meaningfully," said one motor industry executive yesterday.

At the same time, GM's new acquisition is not cheap. The company is paying roughly 20 times Hughes' estimated 1984 earnings of \$250m, a fairly high multiple for the defence/technology sector these days. As part of its \$5bn deal, it is using up \$2.7bn of its cash hoard to do it.

There is no question that the transaction is entirely within the capacity of the group, since its cash reserves amount to almost \$8bn at present. But it is a price which makes some heavy assumptions about defence industry growth at a time when General Dynamics, the leading company in Hughes' sector, is trading at only eight times its 1984 earnings.

Set against these negative arguments are two overriding concerns for the U.S. car industry: the fear that if it does not diversify it will be caught in an inexorable circle of decline in its traditional business and its feeling that new technology may be the magic ingredient to save it.

	General Motors Corporation		Hughes Aircraft	
	1984	1979	1984	1979
Sales (\$bn)	83.8	66.3	4.9	2.2
End-year employees (000)	748	853	73	52
Long-term debt (\$m)	2,417.4	880.0	78.0	100.0

Research: Rivka Nachman.

## Changes in the air

Inside the BBC, they still do not believe the rumour about Alasdair Milne being replaced as director-general by Channel 4 chief, Jeremy Isaacs — at least, not in the near future. The BBC's first head in the broadcasting world last Christmas, has been energetically revived this week, but those who should know best insist that, despite Mr Thatcher's antipathy to what he sees as Milne's arrogance, he will serve for some time yet.

The position of assistant director-general, Alan Protheroe, looks less sure. He was the one who vigorously defended what others saw as the indefensible "who the BBC borrowed" TV-sun's exclusive interview with Princess Michael of Kent without asking.

An sideways move for Protheroe would leave the assistant director-general for the BBC's fast-rising financial expert, Michael Checkland. His current title is "director of resources, television" and his promotion to Milne's right hand would no doubt favour with BBC chairman, Stuart Young.

Young (whose brother David has received a peerage and a place in the Cabinet from Mrs Thatcher) is apparently not the greatest of Milne's admirers. One of the senior partners in accountants Harker Young and a director of British Caledonian air, Young might feel that with the Peacock Committee about to take a hard look at the BBC's finances — the Corporation's financial muscle would be greatly strengthened by moving Checkland nearer to the top of the executive.

## Borrowed clothes

What does a government do to raise a cheer after 42 years in office? The answer of the long-ruling Progressive Conservative party in Ontario province, Canada, is to leave a lasting impression by stealing the opposition's clothes.

## Men and Matters

The Tories failed to win enough seats for a working majority in last month's provincial election. But they are still going through the rituals of government until the two opposition parties combine to topple them in a no-confidence vote — expected any day.

When the provincial legislature reconvened this week the outgoing government was ready with a startling Throne Speech. Instead of Tory policies, it set out a new agenda straight from the middle socialist manifestos of the opposition Liberal and New Democratic parties. Among them were — a freeze on health insurance premiums, preference for provincial contractors with affirmative action programmes, support for renewed import quotas on Japanese cars, and tougher anti-pollution laws.

According to the Liberal leader David Peterson, who is almost certain to be Ontario's next Premier, the Tories' turnabout is a deathbed repentance. "Their way of saying they're sorry."

## Guernsey crude

Eighteen years ago spilled oil caused havoc to the beaches of Cornwall, Guernsey, and Brittany following the wrecking of the Torrey Canyon off Land's End. Surprisingly, some of the 100,000 tonnes of crude that escaped from the tanker is not only still around, but is about to be cleaned and sold.

The oil has been lying in a disused granite quarry in Guernsey. It was dumped there after the island authorities had sucked about 3,000 tonnes of the stuff off their beaches with a fleet of sewage tanker lorries.

Now the island has done a deal with Petroleum Trading of Hitchin to get rid of the oil lake which as a local official says, "is a damned nuisance."

He says that the operation, to start shortly, will cost his firm over £100,000, and is "a gamble on what we can recover and the price we can get for it."

The job will mean erecting a storage tank at the quarry and another at a local harbour ready to ship the oil to Britain or Holland. Under the deal the tanks and other equipment will be left on the island as payment for the oil. Barnard hopes to show a 10 to 15 per cent profit on the venture.

## Reflections

Publisher Robert Maxwell has been slower than some of his rivals to do "something big" in the U.S. and, when cornered in New York yesterday, he was typically blunt about the reason.

"I am not going to pay those silly prices that Mr Murdoch, for instance, is paying for his TV stations and magazines," he said. "Quite ludicrous."

Maxwell was offered Murdoch's Village Voice, but refused it; and he said he had no interest in buying Murdoch's loss-making New York Post, which is said to be on the block at \$70m.

But he is enthusiastic about the opportunities in the U.S. media business and stressed to students at New York's Polytechnic Institute — where he was picking up an honorary degree along with Lockheed's Roy Anderson and Pfizer's Ed Pratt — that if they wanted "fame and fortune" they should get into the communications industry.

When he makes a major move in the U.S., it would probably be on the printing or databank sides, Maxwell said. He is already in a joint venture with the Providence Journal and his Pergamon Interlink data service is "doing for science what Reuters is doing for money."

## Naturally

Card in a North London shop window: "For sale, sun bed and lamp. Barely used."

No one knows precisely what sort of earnings growth this has generated for the group, although sales have jumped by almost 90 per cent since 1980. But Hughes has managed to be financially self-sustaining during this period, a comforting thought for GM's shareholders who ought not to see vast amounts of cash diverted to expanding the newly-acquired aerospace company.

Presenting the deal "as a truly historic day for GM," Mr Smith's emphasis yesterday fell almost entirely on the electronic wizardry which Hughes is expected to bring to the manufacturing of GM's vehicles. Mr Smith said he had "long believed" that the future of the auto industry was tied up with the introduction of ever more sophisticated electronics under the hood and in the dashboard. The automobile, he added, is still in its infancy in terms of systems. He expects Hughes, for example, to help GM develop collision avoidance radar and locating systems "which would help a driver find his way in unfamiliar territory."

Of equal significance, Mr Smith emphasised the potential gains through linking Hughes' hardware expertise with the software skills of EDS to revolutionise operations on the factory floor. "There is only limited systems engineering expertise in this new area of computerised manufacturing," he said. "Hughes is one of the few organisations that has extensive experience in it."

Wall Street, meanwhile, reacted ecstatically to this high-tech message, pushing the shares up by more than a dollar immediately after the deal was announced. Ms Ann Knight, an analyst at Paine Webber, pointed out that there are precedents for this kind of strategy for an auto company. In Japan, she said, Mitsubishi has successfully used its aircraft division to help both with automotive design and engineering.

Ms Knight and others argue that within the next few years, car electronics are going to turn the driving seat into the equivalent of a jet aircraft cockpit. This will require detailed understanding by the motor manufacturers of the interaction of different electronic systems, which have a nasty habit of interfering with each other.

"Aerospace companies have had to be very careful about this, because it is a serious business if an aircraft drops out of the sky," says Ms Knight. But not everyone on Wall Street is so enthusiastic. Some industry experts claim GM could have hired or bred in-house the necessary electronics expertise much more cheaply — and some even doubt that it is needed at all.

"You don't need to go and splash out \$5bn on an aerospace company to tell you that you are at the corner of Fifth Avenue and 59th Street," said Mr Healey yesterday, in every reference to the location of GM's towering Manhattan headquarters.



## THE OUTLOOK FOR THE DOLLAR

## Prepare for a crash landing

By Anatole Kaletsky

A "CRASHLANDING" of the overvalued dollar, accompanied by a world financial upheaval, becomes more plausible daily. Ironically, the greatest cause for alarm is the recent strength of the dollar, which may still rebound even beyond the stratospheric levels set in February, despite the bearish background of falling U.S. interest rates, poor growth figures and signs of accelerating inflation.

Today, such paradoxes are taken for granted by currency markets. The reason, as last week's OECD Economic Outlook astutely put it, is that "expectations have become the decisive element in determining how far, how rapidly and with what degree of volatility the dollar evolved."

Once expectations take over, currencies can lose touch completely with economic forces or shifts in government policies. If this is happening, governments and central banks may already be powerless — unless they are prepared to reimpose draconian direct controls on international capital movements.

Many politicians and even investors shrug off such warnings as "doomsday" talk, self-contradictory. The dangers of a resurgent dollar and a collapsing dollar do not cancel each other out. In reality, the world economy is quite likely to suffer from both over the next few years. For worldwide financial deregulation has turned currencies into assets just like shares or gold, and there is no more reason to hope for stability or consistency from exchange rates than there is from the price of gold.

The price which is set by a free market in assets can behave very differently from the market price of ordinary goods. Consider the effects of a rising dollar. In the days before currency became assets and the dollar was simply a token for buying American goods, a rise in the dollar would make American goods more expensive and foreigners would stop buying them. Demand for the dollar would drop, and push the exchange rate back down to its equilibrium level.

Today, the effect of a rising dollar can be quite different.

Because the dollar is an asset in its own right, the more it rises, the more people may want to buy it or be afraid of selling it. In the words of an anonymous foreign exchange dealer who was quoted in the FT more than four years ago: "I know the dollar is overvalued today, and I know it will be more overvalued tomorrow."

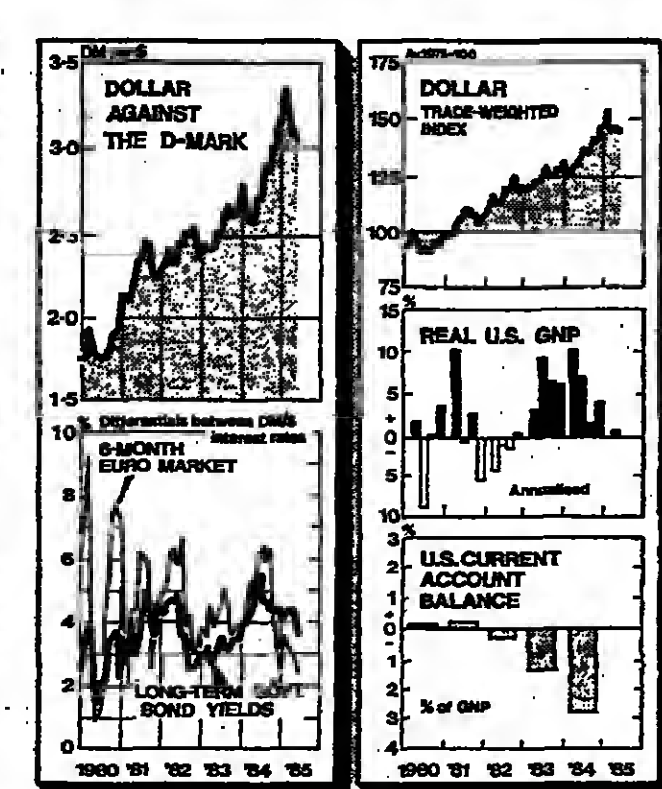
The build-up of such extrapolative expectations, as economists call them, explain why speculative bubbles can form in markets for assets, like Wall Street in 1929 or City of London real estate in 1972, but not in markets for ordinary goods and services — except in bizarre circumstances such as the coffee and laundry paper panics of the mid-1970s.

If exchange rates are now in a state of runaway, with no firm economic underpinning, then it is possible to make just one firm prediction — the least likely course for the dollar in the next few years is a gentle decline.

The IMF, for example, assumes a fall of 5 per cent a year from 1987 onwards in the medium-term projections in its latest World Economic Outlook. In fact, such a protracted fall would almost certainly reverse the expectation of a "dollar crash" and "dollar boom" and thereby remove the currency's most important prop.

Because the currency would still be overvalued in the sense that the IMF's projections leave the U.S. current account in deficit to the tune of 3 per cent of GNP in 1990 and America's foreign debt continuing to mount at a rate of 20 per cent or more a year, extrapolative expectations could become just as powerful on the way up. A soft landing would only be possible if such bearish expectations were offset by some very strong non-speculative forces underpinning dollar demand.

Naturally, economists have tried to identify such forces. The most obvious have been high U.S. interest rates. Interest differentials certainly have played a major role in the dollar's rise, particularly in its early stages, but their explanatory power has been less convincing. Since last year interest differentials have



Leighton Morris

moved against the dollar (see chart) and today's gap of 2.5 percentage points between dollar and D-mark deposits is 0.5 percentage points smaller than it was in 1983 and 1984. Comparisons of bond yields tell a similar story. Yet the dollar today is 30 per cent higher than it was in early 1983.

Other economic arguments have been used to explain the parts of the dollar's performance which interest rates could not reach. Most of these can be summed up under two headings — rapid non-inflationary growth and high after-tax profits. Like interest rates, these arguments seemed plausible enough a year or two ago, when the dollar was 20 per cent or more below its current level, but today they look less persuasive.

U.S. growth rates have dropped precipitously since the middle of last year and inflation is showing signs of edging upwards. Profits and business investment did rebound impressively in 1983 and 1984 from their

recession lows, largely as a result of the 1981 tax cuts which ended up favouring business investment far more than anybody had expected. This tax bias is now to be reversed by President Reagan's new tax law.

But even without tax reform, corporate profits have fallen by 11 per cent in real terms since their peak last year. It seems, therefore, that most of the economic fundamentals have turned against the dollar by now. If the dollar remains anywhere near its current levels or returns to its upward trend, which in the short term seems quite likely, economists will doubtless discover new explanations for the behaviour of exchange rates. But it may be more realistic simply to give up the search for economic reasons and concentrate instead on market psychology and speculative forces.

At first sight, speculation may not seem a promising approach to the dollar puzzle. After all, most currency speculators have been gambling against the

dollar since 1982; and virtually every survey of market opinion for four years has revealed a widespread expectation that the dollar would fall. But speculation can consist not only of acting against economic fundamentals, but also of falling to act as economic fundamentals would suggest. This behaviour can be described as "passive speculation."

According to the conventions of economic theory and national income accounting, all the dollars which flow to Japanese manufacturers or British pension funds as a result of the U.S. current account deficit are immediately converted into yen or sterling by their new owners.

This is not what happens in practice. For many Treasury managers require a positive decision to convert surplus dollars into another currency. Keeping the proceeds of U.S. export sales or investment income in dollars appears to be the passive option.

If you are a fund manager for a Saudi Prince and you change dollars into yen, you suffer a currency loss when the dollar rises, but if you keep your money in dollars and the yen rises, you merely miss out on a currency profit.

As the dollar has risen ever higher, these brave souls who tried active currency management have repeatedly burnt their fingers. This may have demonstrated that the underlying forces behind the dollar's rise were much stronger than anyone had anticipated; but it has also created potent irrational forces — paradoxically, staying in dollars has come to appear increasingly risk averse, the higher the dollar has risen and the more the dangers of an ultimate collapse have grown. This is passive speculation.

There is evidence of this phenomenon in the statistics on U.S. capital flows. Gross inflows of foreign capital into the U.S. have remained roughly stable between \$75bn and \$85bn a year since 1981. Meanwhile, U.S. bank lending fell from \$11bn in 1982 to \$7bn in 1984, and this shift in overseas accounts for America's whole net capital inflow. Like all flow of funds analysis, attributing the U.S. capital inflow to the banks raises a chicken and egg problem.

Instead of wondering why U.S. banks stopped lending

abroad, it can be asked why foreigners went on depositing around \$90bn each year in U.S. securities instead of changing their excess dollars into other currencies?

About half the answer last year came from \$50bn in long-term investment by Japanese institutions and a further \$21bn of U.S. capital inflows due to direct investment in the U.S. That still left \$35bn in bank inflows. Much of this flow can probably be described as passive speculation, or what foreign exchange dealers call, less pretentiously, "burnt fingers."

If these burnt fingers have been a major source of the dollar's strength today, the thrust for the future could be alarming. With the U.S. current account deficit set to grow by a further \$40bn or so between 1984 and 1986, the U.S. will need \$70-80bn of capital inflows, on top of direct investment and long-term inflows from Japan.

As long as the dollar remains on a rising trend, this need is no problem. Much of the increase in the current account deficit will flow directly to the passive speculators who will automatically reinvest it in dollars and America's capacity to borrow from foreigners will seem unlimited.

But once the dollar's trend turns downwards, extrapolative expectations will go into reverse. Even the long-term Japanese investors may not prove indifferent to short-term currency losses; the passive speculators in the treasuries of industrial corporations and non-Japanese investment funds will soon begin to question the risk-aversion of hanging on to their dollars.

Economic fundamentals will then come back into play; and if the turn does not come soon, investors will see a U.S. economy the trading industries of which have been devastated by the effects of the overvalued dollar. For the dollar bonanza is not just a harmless speculative bid, like a speculative bubble in rare postage stamps or husted Chinese banks. An overvalued currency is more like a narcotic addiction — the greater the high and the longer it lasts, the less of the addict's health is left by the time the habit is broken.

Samuel Brittan will resume his column next week.

## Lombard

## Life assurance on the hook

By Barry Riley

BEHIND THE scenes, an extraordinary row over the disclosure of commissions is causing turmoil within the life assurance industry. As part of its new investor protection policy framework, the Government is attempting to impose a new principle of "equivalence" upon different investment media. It might seem unremarkable that the Government should try to impose similar regulatory standards upon life assurance and, say, investment in securities. In practice, the proposals are dynamic.

Disclosure has never been life assurance's strong point. Mumbo-jumbo about reversionary bonuses and the like has been deliberately developed to cow an almost wholly ignorant clientele.

The Government has put the cat among the pigeons by insisting that intermediaries (such as independent insurance brokers) who profess to select the best policies from the vast range on the market should disclose the commissions they receive. The idea is that clients should be aware that the higher commission paid on one policy rather than another might just affect the adviser's judgment.

But tied agents who only profess to represent one company will not have to disclose their remuneration because they are not holding themselves out as independent.

Howling with anguish, the independent intermediaries and the companies which sell through them are attempting to find ways out of disclosure, which they justifiably fear will kill many prospective salesmen dead. Two possible routes are the invention of a bogus "tied" status, and development of a standard commissions scale which might satisfy the Government's doubts about independence of judgment.

But there is another route, which is simply to extend disclosure right across the industry. The new Marketing of Investments Board could insist that all clients were told how much of their premiums was going into life cover and investment, and how much was swallowed up by commissions, front-end loading and annual charges.

Unit trusts have been doing this for years.

The industry fears that business would slump if clients realised how little of their first year's premiums went into ultimate investments. So, for a time, it might. But there would also be a more positive effect. The industry would have a powerful incentive to develop more economical marketing methods.

Ask an insurance man why commissions on life or pensions business need to be so high, and he will tell you that it is because for every completed contract the salesman has drawn an expensive blank on nine other calls. The successful deal has to pay for the unsuccessful ones.

But by any token this is a highly inefficient marketing process. Given that personal pensions are going to require increasing expertise on the part of the salesman, the system threatens to become even more wasteful in its misuse of skilled manpower.

There is now an opportunity for the new regulatory body, the Marketing of Investments Board, to enforce much greater disclosure with two particular objectives in mind. One is to open the way for the introduction of the mass retailing of standardised products at low charges, perhaps through chain stores. The other is to encourage the growth of a new category of independent adviser who will give unbiased advice for an honest fee paid by the client. (The public would have to get used to the fact that good advice cannot be cheap.)

At present, such advisers are handicapped by the willingness of a gullible public to swallow the line that advice from a broker or a tied agent comes free.

Unfortunately the MIB as it stands is packed with representatives of traditional brokers and direct selling life offices who are much more likely to spend their time squabbling among themselves than in opening the way for entirely new marketing techniques.

In the coming months the life industry will wrangle desperately to be let off the disclosure hook. It must not be allowed to succeed.

## Action this day

From the Managing Director, Raparap.

Sir,—Why is it a surprise, to find a company which makes the decision to install equipment just two days after analysis indicates a saving of £1,000 per month? Usually it takes 12 to 24 months! Assuming that the management agree the savings estimates, is it incompetence, somewhere, to delay implementing such proposals? The reasons for delay tend to be financial; "we are not allowed to spend capital" (for a 7 week payback), "we have used our allocation of capital" (where a net positive cash flow was offered for the first months and then the full savings accrued once the capital had been paid for from savings), "we must look carefully at alternatives" (which takes so long that the lost savings exceed the cost of the equipment) . . . etc. Although I know our equipment is particularly good value I supposed that perhaps we were bad at selling it; but I hear that many are finding British industry is loath to spend capital because it has that name (even when the cost is less than the corresponding saved revenue).

The boiler man can pick up the internal phone and spend £5,000 on coal. The engineer may analyse and struggle to reduce the expenditure on coal by £5,000 but because the accounts classify one pocket of green notes as different from the other, he may not spend anything to achieve the results. No wonder engineers are demoralised and city slickers (and in their way boilermen) admired. I find I am not alone in believing that the unemployment is largely caused by the accountants.

Were it not for the reluctance of directors to accept even positive cash flow offers eagerly, our employment would double. If ideas from 1,000 small companies like ours had been implemented some while ago, a much greater group would not even have had to have a rights issue! Perhaps our Chambers of Commerce should start a club resisting membership to those who act on good ideas within the week.

(Sir) Savile Burdett, 35, Park Avenue, Solihull, W. Midlands.

## Demonstrations in Iran

From Mr M. Khosravi

Sir,—In her article (May 18) regarding the peaceful demonstrations that were held in Iran the day before the request of Dr Shapur Bakhtiar, leader of the National Movement

## Letters to the Editor

ment of Iranian Resistance (NAMIR), Kathleen Evans made a serious error. She reported that the "People's Mojahedin Organisation" had teleaxed "all major companies" in Iran, asking them to alert people to Mr Bakhtiar's request.

Quite apart from the fact that a small band of leftist dissidents do not constitute "the main opposition" to Khomeini, it would be highly unlikely that the Mojahedin would act in support of any initiative that is undertaken by Dr Bakhtiar or NAMIR.

In fact, it was NAMIR that sent more than 3,000 telexes as part of a major campaign involving a number of other significant steps, which ensured the success of the demonstrations and alerted the outside world to the fact that Iranians are sick and tired of Khomeini and would accept the leadership of Shapur Bakhtiar.

Mohammad Khosravi, For the Executive Council, NAMIR-NK, P.O. Box 313, London, W2

## Court of Human Rights

From the Director, British Institute of Human Rights

Sir,—Your leader "U.K. and the Court of Human Rights" on May 30 deals substantially and very well with the immigration question following the decision of the European Court of Human Rights that the U.K. was in breach of the European convention of human rights in not allowing three foreign husbands to join their respective wives resident in the U.K.

It is not quite correct, however, to say that the number of cases reaching the court from different countries depends on whether its citizens have direct access to the court. Only the Commission, or the Government, is admissible by the court. What your leader writer had, no doubt, in mind was direct access to the Commission, without which a case cannot come before the court. About 96 per cent of such individual cases are declared inadmissible by the Commission and even admitted cases may never reach the court as they may be settled before the Commission or decided by the Committee of Ministers.

I agree with the reason given that there may be a comparative lack of domestic remedies

as the U.K., alone of the member states, has neither written constitution nor effective Bill of Rights. Another important reason is the great activity, not seen in other member states, of specialist non-governmental organisations in sponsoring individual cases.

I hold records of all admitted individual cases and in particular have just completed a report on all cases against the U.K. resulting in various forms of positive action being taken by HMGO. It is interesting to note that such action has taken place in all cases where the court or Committee of Ministers has found a violation by the U.K., or where the Commission has approved a settlement between the parties at an earlier stage.

A. B. McNulty, 17 Russel Square, WC1

## People are the problem

From Mr J. T. Cope

Sir,—One reason why it takes longer to rebuild escalators (Anatole Kaletsky, May 17) than it took to build entire stations is that the re-builders have passengers to contend with.

Much of the heavy work can be done only in the few short hours at night when the station is closed to the public. This explains the apparent lack of activity at times. The only practical alternative—closing the station completely—is unlikely to appeal to passengers.

J. T. Cope, Operations Director, London Underground.

## Underground movement

From Mr N. Hopkins

Sir,—Before Anatole Kaletsky becomes too depressed with his comparison of Victorian construction engineering with that of today (Lombard, May 17) I wonder if I may draw his attention to the current Docklands Railway Contract?

Here the Mowlem/GEC joint venture is designing, constructing and commissioning some 8 miles and £58m of very sophisticated passenger railway, in little more than two years. None of it is passing through the undisturbed underground, enjoyed by our ancestors; it is all on the busy surface. Some

follows "old railway" viaducts while the rest uses new ground-level and elevated structures, including the spanning of the Millwall Docks in the Isle of Dogs.

The fact that Mowlem was responsible for constructing much of London's original "tube" may be deemed to give us a bit of a start. More probable is the fact that the "turnkey" form of contract gives GEC and ourselves total responsibility for delivering the system. Even so, a work rate of £2m or more a month should give us the time to do something to cheer about.

N. Hopkins, John Mowlem and Co, Westgate House, Ealing Road, Brentford.

## Airports and passengers

From the Chairman, Cess Group

Sir,—The squabble between British Airports Authority and British Airways illustrates again the low priority they give to the requirements of passengers. The passengers continue to suffer the discomfort of overcrowded facilities and pay the bills for this waste of money. Since the design and building of Terminal 4 there must have been sufficient time to decide how to use the building. If British Airways does not wish to move, let the other airlines do so, who will I am sure appreciate the new facilities and make good use of them in the interest of their passengers.

Edie V. Cass, Crutches Road, Thorpe, Egham, Surrey.

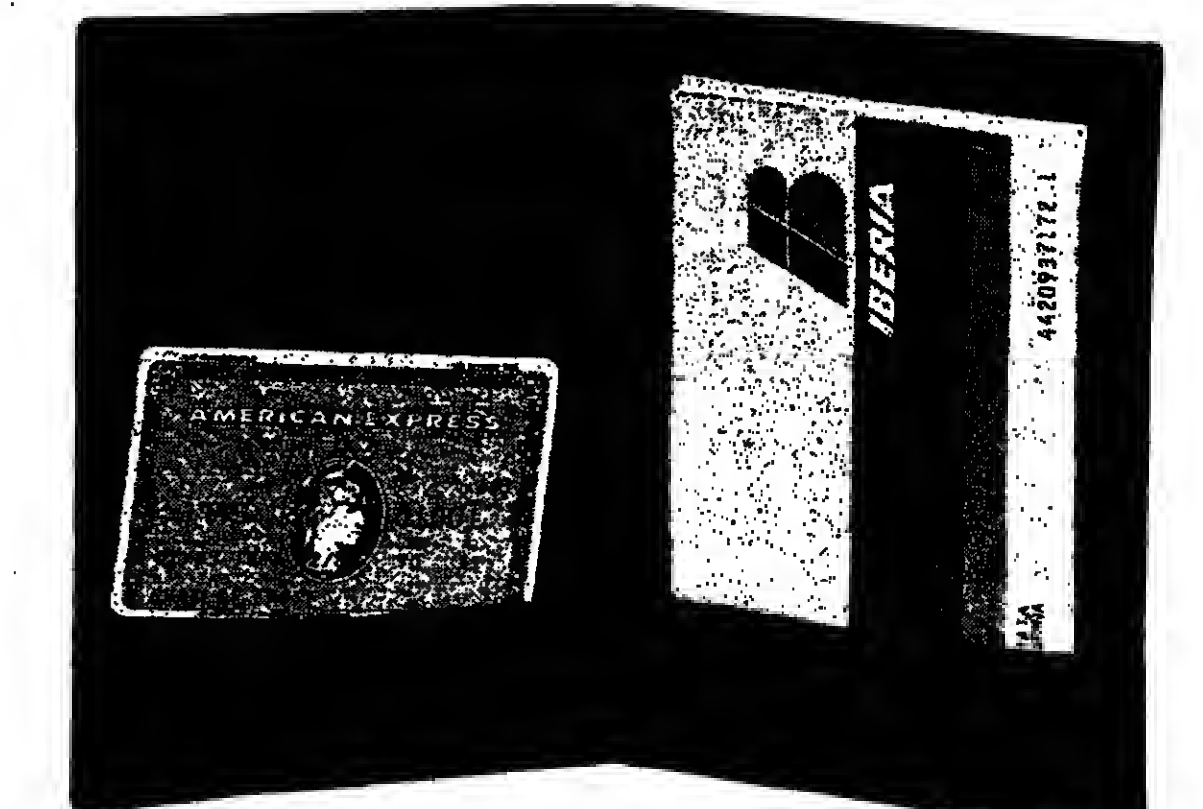
## Violence on TV

From Mr M. Tidmarsh

Sir,—Christopher Dunkley in "Brutality and Compassion" (June 1) writes that he is aware of no evidence to show that even the disgusting quantities of violence in today's national (TV) series . . . has any effect on our reactions when it comes to the real thing.

Earlier he comments that only a recluse would fail to know from experience that "men and women all over Britain broke down and cried" at the scenes from Hayzel Stadium. Perhaps he would explain the conditions under which experience may be counted as evidence? In any event were his second (quoted) comment true what bearing do the responses of compassionate TV viewers have on the actions of those, presumably other viewers who engage in violence?

Mannes Tidmarsh, The Old Court, Greens Norton, Near Worcester, Northants.



## THE BUSINESSMAN'S TRAVEL KIT.

Get more out of your next business trip. Take "The Kit" the American Express® Card and your Iberia ticket. After all, it was Iberia who broke the 1984-85 co-tenure performance record at London Heathrow. And so outstanding is the service in Iberia's Business Class, it was voted one of the world's top three by the discerning readers of "Executive Travel" (April 1984). What's more, you'll find Iberia's schedules and connections are often more convenient. That's because Iberia's position on the map makes it the natural link between Europe and Africa, the Middle East and, of course, the Americas. And while you are looking after your business, why not let the American Express Card look after you? The Card makes it so simple to pay for your airline tickets, car rental, hotel and entertainment as you go. It's comforting, too, to know that there are over 1,000 American Express Travel Service and Representative Offices around the world, waiting to help you with reservations and emergency cash. They can even replace your card if it's lost or stolen, usually within 24 hours. So on your next business trip, don't forget your Travel Kit. Ask your secretary to call Iberia or your travel agent. And take the American Express Card. Don't leave home without it. © Registered Trade Mark of American Express Company.



FOR BETTER BUSINESS TRAVEL







**FEB**  
MANUFACTURERS & SUPPLIERS  
OF BUILDING & CHEMICAL PRODUCTS  
FOR THE CONSTRUCTION INDUSTRY

FEB INTERNATIONAL PLC  
Albany House, Swinton Hall Road, Swinton,  
Manchester M27 1DT. Tel: 061 784 7411

## SECTION II - COMPANIES & CAPITAL MARKETS

# FINANCIAL TIMES

Thursday June 6 1985

**REID & TAYLOR**  
THE WORLD'S MOST  
EXPENSIVE TWIST SUITING  
CLOTH

### Warner may face new bid battle

By Terry Byland in New York

WARNER Communications, the film and entertainment group, rose by \$14 to \$28 1/2 in New York yesterday as a serious dispute with Chris-Craft Industries, its largest stockholder, seemed to put Warner on the takeover block once more.

Chris-Craft, which took a 24 per cent stake - later raised to 29 per cent - in the film company last year in a deal which effectively held off Mr Rupert Murdoch, the Australian newspaper and TV magnate, said in an SEC filing that it had ended discussions with a Warner management group regarding a proposed buyout and was considering making a tender offer for Warner, either alone or with others.

The move follows hints of a serious bid between Chris-Craft, headed by Mr. J. J. Siegel, and Warner board members led by the chairman, Mr. Steve Ross, who has sought to make the company private through a buyout.

Warner turned in an increased loss of \$58.1m last year, despite disposal of the loss-plagued Atari computer unit, and has been selling assets.

### BankAmerica credit rating cut by S & P

By William Hall in New York

STANDARD & POOR'S, the U.S. credit rating agency, yesterday lowered BankAmerica's commercial paper ratings following the bank's admission that it would probably only break even in the current quarter.

S & P, which had already cut the group's long-term debt ratings in March, yesterday lowered its rating on BankAmerica's paper from A-1 plus to A-1. This will increase its cost of borrowing, and more seriously, again highlight the concern of the investment community about the bank's performance.

Some Wall Street analysts now wonder whether BankAmerica will cut its dividend, which has been held unchanged at 32 cents a quarter for several years.

On Wall Street the bank's shares continued to fall, in heavy trading yesterday. By lunchtime they were standing at \$19 1/4 - down 25 cents. Several analysts have downgraded their 1985 earnings estimates for the company to between \$1.80 and \$2 for the full year compared with \$1.77 in 1984.

### Transco to buy Exchange Oil

By Our Financial Staff

TRANSCO ENERGY, the U.S. gas pipeline and energy exploration group, is increasing its proven reserves sharply with an agreement in principle to acquire Exchange Oil & Gas from Georgia-Pacific, the forest products group, for about \$180m.

Transco, based in Houston, said the deal represented an opportunity to acquire significant proven on-shore reserves of more than 100bn cu ft of gas equivalent, as well as other assets including working capital and undeveloped oil and gas properties.

### EUROBONDS

## Iceland wins support with high margin

By Maggie Urry in London

INVESTORS in floating-rate notes are demonstrating a clear preference for higher interest margins. Despite a generally dull market for floaters, Iceland met a good response yesterday for a \$125m issue which pays interest at 1/4 per cent over six-month London interbank offered rate (Libor).

The issue, which has a 15-year life with put options in years 10 and 12, was increased from \$100m and still traded comfortably inside the 25 basis point front-end fees. Japanese investors in particular are showing resistance to the decline in margins which has been occurring in the floater market.

The issue for Crédit Lyonnais launched on Monday was also increased, yesterday from \$250m to \$300m and was trading well inside its fees too.

The fixed-rate Eurodollar bond market was lacking new issues once more as the surge in the New York market continued, making it more attractive for borrowers to launch issues there. Although Eurodollar bonds gained 1/4 to 1/2 point

## Flattening the SAS management pyramid

How the Scandinavian airline plans to double profits

BY DAVID BROWN IN STOCKHOLM

SAS, the Scandinavian airline, after successfully engineering one of the most remarkable turnarounds in the history of the industry, is now trying to pull yet another rabbit out of its hat.

Faced with a major SKr 25bn (\$3.01bn) fleet replacement programme, the group is seeking to double its profits before extraordinary items immediately from the SKr 722m achieved last year, to implement a far-reaching and potentially controversial organisational change and to improve cost efficiency by 25 per cent over the next five years.

It seemed well on its way towards the first goal until several recent setbacks. For the first six months to March, group profits after financial items climbed more than the SAS Service Partner subsidiary returned to profit, and all signs pointed to an SKr 1bn plus year.

Then came the double shocks of large Danish and Swedish strikes which shut down the vital Copenhagen and Stockholm airports, and cost the airline an estimated SKr 300m in the second half.

Mr Jan Carlzon, the group's president, now predicts its full-year result will only be "on level" with the 1983-84 figure - although independent analysts are slightly more optimistic.

It was Mr Carlzon who pushed through a restructuring scheme that took the airline from losses of SKr 88m in 1980-81 to profits of SKr 292m, SKr 583m and SKr 792m in the three consecutive years.

The scheme involved cutting unprofitable routes, centralising the organisation, introducing a special business class service for full-fare paying passengers and improving both punctuality and the quality of customer service.

As a result the group boosted its passenger traffic some 23 per cent during the period in an otherwise stagnant market, improved its market share of full-fare paying passengers and increased its average load factor from 59 to 64 per cent.

Moreover, the group began to offer a "total travel package", including hotel accommodation and ground transport, although it is still the airline which generates nearly 90 per cent of the group's earnings and almost 80 per cent of its turnover.

Today, its immediate problem is how to cope with the high costs of operating out of the Nordic area - 20 per cent above the average in the 20-member Association of European Airlines - and to generate the reserves required to finance the replacement of its entire fleet of 60 DC 8s starting in the late 1980s.

"The capacity expansion is on the low side relative to the traffic growth we are experiencing both on the European side and on the domestic Swedish and Norwegian markets," says Mr Nils Molander, the finance director.

A SKr 30m annual investment over 10 years requires income after financial items of between SKr 1.3bn and SKr 1.5bn, and "we have to cut our cloth according to profit levels... if profits aren't good enough we can't go on investing."

Moreover, the management faces the longer-term problem of positioning SAS for an expected relaxation in the European regulatory environment.

"Our goal is to be able to survive and expand in an environment of free competition," says Mr Carlzon. "We know - as Air France and British Airways know - that if the market were thrown open today we wouldn't stand much of a chance."

Mr Carlzon has set out three major objectives for the group in a new five-year plan announced last week. First, the airline must improve its hub and route structure in a continuing attempt to be "the preferred airline of frequent business travellers." Second, to take better control over its sales and information system and also to improve its cost efficiency by 25 per cent in five years.

SAS plans to introduce a more frequent shuttle-type flight service in the Scandinavian market, which makes up some 19 per cent of total air traffic revenue, to make better use of its existing resources. The frequency strategy also applies to the more competitive international routes but is subject to more difficult negotiations.

In Europe, which makes up 50 per cent of total air traffic revenue, the group hopes over the next five years to introduce a more flexible pricing system to improve load factors from already relatively high levels and spread demand.

SAS currently has two fares on its European routes - economy and promotional Apex-type. But "this price instrument is fairly coarse today," says Mr Molander. "If we could have a wider spectrum of low fares which were directly linked to cabin factors on specific days, we could work the market much better."

SAS is developing a new information distribution system which is aimed at making it possible to fine-tune fares up to the final moments before flight-time.

The group is also working to develop Copenhagen's Kastrup airport as an important European gateway, in hopes of reversing the gradual loss in long-haul Scandinavian traffic to airlines using other

Continental terminals such as Schiphol which have the advantage of better transit and shopping facilities.

In the long-run the efficiency drive is perhaps the most potentially controversial part of Mr Carlzon's five-year plan. SAS has begun negotiations with its 38 unions in Norway, Denmark and Sweden in an attempt to introduce what, by European standards, is perhaps an unheard of degree of flexibility in job definition.

"The aim is to handle many more passengers with less input of capital and costs," says Mr Molander. "Our whole cost structure is geared up to peaks. Imagine what kind of efficiency you would have if all your check-in counters were staffed by administrators during the peak hours."

What this means in practice is that SAS hopes over the coming months to flatten out its management pyramid, eliminating several layers of middle-level administrators and increasing the number of front-line personnel.

An airline could not carry more passengers than its station and sales people, or stewards could handle, Mr Carlzon said. "If we could use our existing resources to extend our 'frontline', we could au-



SAS president  
Mr Jan Carlzon

tomatically increase our potential market without adding costs."

How realistic is this strategy? "This is going to create a lot of problems for us," admits Mr Carlzon. "We'll have conflicts, but we've got to work with our people to get them to see this in our common interest."

### Wang set for loss in fourth quarter

By Our New York Staff

WANG Laboratories, the Massachusetts-based office equipment manufacturer, gave a further indication yesterday of the problems facing the U.S. computer industry when it forecast a fourth-quarter operating loss for fiscal 1985 and said it was reducing its workforce by 5 per cent, or about 1,500 people.

The company said lower than expected levels of business had caused a build-up in stocks. Savings from cost-cutting programmes had also been less than expected. The company said it had "delayed salary and wage increases for six months and taken other action to reduce operating costs."

Wang said it expected to be profitable for the full year and to see a recovery in fiscal 1986. Profits were already down by about one third in the first nine months of this year, and the swollen inventories will require "valuation adjustments" at the year-end.

Last year, Wang earned \$73.7m, or 52 cents a share, for the final quarter and \$210.2m - \$1.52 per share - on sales of \$2.2bn for the full year.

The company has suffered both from the slowdown and tougher competition in the U.S. small business computer market and from the strength of the dollar, which hurts it in overseas markets where it sells nearly a third of its products.

Wang stock made a delayed start in New York yesterday and later slipped by \$4 to \$19 1/4. Other computer and high-technology stocks, which have recently absorbed poor trading news from elsewhere in the industry, including a warning on second-quarter profits from IBM, remained firm yesterday as Wall Street soared to new heights.

Wang is a leading producer of word processors, which represent about 40 per cent of revenues, and also produces small-to-medium computers.

### Earnings improve strongly at CGE

By DAVID MARSH IN PARIS

COMPAGNIE Générale d'Electricité, the French nationalised electricity and electronics conglomerate, boosted consolidated group net profits last year to FFr 97m (\$85.7m), 25 per cent up on its revised earnings of FFr 636m in 1983.

The share of the profit accruing directly to the CGE group was FFr 501m, a rise of 56 per cent from 1983.

Total turnover rose to FFr 74.1bn from FFr 62.2bn, of which FFr 62.1bn represented companies controlled by CGE and FFr 12bn "affiliated" companies. This included notably Thomson Telecommunications, with a turnover of FFr 10.8bn, which groups civil telecommunications interests of Thomson transferred under the wing of CGE under the two companies' asset swap agreement of September 1983.

### Fermenta profits leap to SKr 92m in four months

By KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

FERMENTA, the Swedish fine chemicals and biotechnology group, increased its profits to SKr 92m (\$10.4m) in the first four months of the year compared with SKr 18m in the corresponding period last year and SKr 82m in the whole of 1984.

The group yesterday forecast profits for the whole of 1985 of SKr 270m-Skr 280m (before extraordinary income). Group turnover quadrupled to SKr 448m in the first four months from SKr 106m a year earlier.

New acquisitions completed since April last year of the increased turnover and SKr 57m of the profits increase.

The group also announced yesterday that it had completed the sale of an important part of the recently acquired Italian chemicals and

pharmaceuticals group Pierrel in two deals worth around SKr 250m. Pierrel's consumer products division has been sold to Vicks International of the U.S., while the company's dental division has been sold to Astra, the Swedish pharmaceuticals group. The two operations accounted for 30 per cent of Pierrel's sales.

In Sweden Fermenta is still negotiating the takeover of KabiVitrum, the state-owned pharmaceuticals company, and a statement on this deal is expected on Friday at the group's annual meeting.

Fermenta is also planning to place up to 900,000 shares in the London market. Details of the issue, which is being made to help finance the Pierrel takeover, are expected to be announced later this week.

### Bankers Trust wins right to trade paper

By Our Financial Staff

ATTEMPTS by U.S. banks to become a force in the \$200bn U.S. commercial paper market received a boost when the Federal Reserve Board said the commercial paper operations of Bankers Trust, the big New York bank, were authorised under the Glass-Steagall Act, which regulates banks' activities.

The ruling appears to bring to an end a seven-year wrangle which started when the bank began dealing in commercial paper on behalf of its corporate customers in direct competition with Wall Street securities firms. Commercial paper is a short-term unsecured promissory note issued by companies and sold to investors.

In June 1984 the U.S. Supreme Court ruled that Bankers Trust's commercial paper was a security under law, but it left to the Fed to decide whether the commercial paper activity represented the selling or underwriting of securities. The Act forbids banks from underwriting or dealing in securities.

This week the Fed said the bank's method of placing commercial paper did not constitute selling, underwriting or distributing securities under the law.

### Robot licence deal for Sulzer

By John Wicks in Zurich

SULZER Brothers, the Swiss engineering group, is to enter into a licence agreement with American Robot of Pittsburgh.

The move coincides with the creation of a new robot systems division by the Winterthur-based machine-building concern. Sulzer plans interdisciplinary activities with a view to offering customers a complete range of services, from consulting to the delivery of turnkey automation systems.

### Losinger result still depressed

By JOHN WICKS IN ZURICH

LOSINGER, Switzerland's leading construction company, again suffered from difficult conditions on the domestic and international building markets last year.

Net profits of the Berne-based parent company, one half of whose capital is held by Enserch Corporation in Dallas, were of a minimal SwFr 81,356 (\$31,780) after 1983 earnings of SwFr 90,761. This tiny profit compares, however, to a massive loss of SwFr 57.6m in 1982, when irregularities in U.S. opera-

tions forced a write-off of SwFr 62.2m.

The 1984 profits are to be carried over into this year's accounts, reducing the brought-over loss total to some SwFr 9.6m.

Losinger, which reports tougher competition both in Switzerland and elsewhere, shows a fall in turnover for last year from SwFr 678m to SwFr 640m, of which SwFr 354.6m against 1983's SwFr 374.1m was accounted for foreign business. Thanks to improved domestic demand, total new-order value rose

slightly over the year to SwFr 565m.

For the current year, Losinger expects no real change in market conditions. However, it does reckon on continued good earnings from the sale of its special building processes.

At the June 23 general meeting, shareholders will be asked to approve the issue of participation certificates (non-voting shares) of SwFr 100 nominal value up to the SwFr 40m level of existing share capital.

This announcement appears as a matter of record only.

MAY 1985

U.S. \$150,000,000

**Marriott**  
corporation

Note Issuance Facility

Arranged by

Credit Suisse First Boston Limited

Underwriting Banks

Amsterdam-Rotterdam Bank N.V.

The Bank of Tokyo Trust Company

Banque Nationale de Paris

Crédit Lyonnais

Credit Suisse

Generale Bank

Girozentrale und Bank der österreichischen Sparkassen

Aktiengesellschaft

The Industrial Bank of Japan Trust Company Mitsubishi Finance International Limited

Nassau Branch

Orion Royal Bank Limited

Saudi International Bank

Al-Bank Al-Saudi Al-Alami Limited

Société Générale Alsacienne de Banque

The Sumitomo Bank, Limited

Tender Panel Members

Amro International

Bankers Trust International

Banque Nationale de Paris

Crédit Lyonnais

Generale Bank

Girozentrale und Bank der österreichischen Sparkassen

Aktiengesellschaft

Goldman Sachs International Corp.

IBJ International

Merrill Lynch Capital Markets

Mitsubishi Finance International

PaineWebber International

Orion Royal Bank

Salomon Brothers International

Saudi International Bank

J. Henry Schroder Wagg & Co.

Shearson Lehman Brothers International

Al-Bank Al-Saudi Al-Alami Limited

Société Générale Alsacienne de Banque

Sumitomo Finance International

Paying Agents

Bankers Trust Company

Banque Indosuez

Luxembourg

Tender Panel and Facility Agent

Credit Suisse First Boston Limited



## Henderson Administration Group plc

### RESULTS FOR THE YEAR TO 31st MARCH 1985

		1985	1984	
Profit before tax	£000	12,485	8,732	Up 43%
Earnings per ordinary share*	pence	67.33	46.93	Up 43%
Dividends per ordinary share	pence	16.00	10.00	Up 60%
Net assets	£000	18,177	10,336	Up 76%
Funds under management	£million	2,548	1,733	Up 47%

\* Earnings per ordinary share are shown before transfer to initial charges equalisation reserve.

\* A year of great significance in the development of the Group.

\* These results reinforce our policy of remaining an independent, specialist, international investment management group, where no conflicts of interest exist.

JR Henderson, Chairman

Copies of the Annual Report may be obtained from the Company Secretary, Henderson Administration Group plc, 26 Finsbury Square, London EC2A 1DA.

The above figures are extracted from the accounts of the Group on which the auditors have given an unqualified opinion and the accounts will be filed with the Registrar of Companies.

**Henderson. The Investment Managers.**

## U.B.A.F.

UNION DE BANQUES ARABES ET FRANÇAISES

Balance-sheet as at December 31, 1983 and 1984  
(French Francs)

ASSETS	1983	1984
Cash on hand, central banks, treasury and postal accounts	570,019,201	414,002,676
Banks and other financial institutions	32,971,720,280	32,347,651,794
Treasury bills, short term money market instruments	1,229,991,400	1,058,248,088
Loans to customers	12,214,911,244	14,765,078,263
Customers' current accounts, overdrafts	622,982,647	815,607,595
Cheques and bills for collection	68,887,090	166,212,487
Accrued receivable, prepaid expenses and sundries	988,521,078	1,504,247,465
Securities held	1,204,365,089	1,610,417,460
Investments in subsidiaries and affiliates	17,234,919	15,932,919
Subordinated loans	180,000	180,000
Fixed assets	120,884,061	111,561,460
Total Assets	50,009,377,009	53,010,540,187
LIABILITIES	1983	1984
Central banks, treasury and postal accounts	2,323,645,423	3,000,304,159
Banks and other financial institutions	37,671,264,154	36,480,772,062
Short term money market instruments	2,910,350,965	1,683,346,830
Deposits from customers	3,588,680,016	3,567,220,358
Special savings accounts	6,318,530	607,149
Certificates of deposit	446,308,813	1,004,782,408
Accounts payable after collection	68,887,090	3,881
Accounts payable, provisions and miscellaneous	1,609,134,417	2,281,736,705
Floating rate bonds	542,587,500	623,480,000
Subordinated convertible loans	150,000,000	150,000,000
Subordinated loans	290,043,750	787,645,000
Reserves	182,156,352	180,681,635
Capital	250,000,000	250,000,000
Total Liabilities	50,009,377,009	53,010,540,187

The Annual General Meeting held on May 29, 1985 at the bank's head office, 180, Avenue Charles-de-Gaulle, Neuilly-sur-Seine, unanimously approved the balance-sheet and accounts for the year ended December 31, 1984, which showed a net profit of FF 51,005,283.

The General Meeting decided to distribute a dividend of FF 22,500,000 and to transfer to the general reserves the remaining amount of FF 28,505,283.

The General Meeting decided to reappoint for an additional three year period the following Directors: Dr. Mohamed Mahmoud ABUSHAQI, Banque Française du Commerce Extérieur represented by Mr. Patrick HAIZET and Commercial Bank of Syria represented by Mr. Jean RASLAN. It also decided to ratify the nomination of Mr. Aboubaker A. AL-GHURIF, Vice-Chairman of U.B.A.F., as Director in replacement of Libyan Arab Foreign Bank and to nominate Mr. Bernard THIOLON as Director in replacement of Mr. Jean OLEFASSEUX, Chairman of Credit Lyonnais.

At the same day, the Board of Directors reappointed Dr. Mohamed Mahmoud ABUSHAQI as Chairman and elected Mr. Bernard THIOLON Vice-Chairman.

This announcement appears as a matter of record only.

### 15 Year Leveraged Lease Financing of one BAE 146-100 Aircraft

Lessor:  
**Manufacturers Hanover Leasing Corp.**

Lessee:  
**Jet Acceptance Corp.**

A wholly-owned subsidiary of  
**British Aerospace PLC**

Sub-Lessee:  
**Aspen Airways Inc.**

Debt and Equity  
Arranged by:  
**Barclays Bank Group**



## INTERNATIONAL COMPANIES and FINANCE

Carla Rapoport looks at a Japanese industry's successful strategy

### Paper makers cut way to recovery

THE WAITING entreaties of Tokyo's waste paper collectors are guaranteed to ruin the sleep of those still in bed on a Sunday morning. But the efficiency of the collection system for old newspapers provides one of the reasons for a marked turnaround in the fortunes of Japan's paper and pulp industry.

For the year to last March, six out of the nine leading paper and pulp companies registered sharp recoveries at the pre-tax level with most achieving all-time highs in pre-tax profits and sales. For the largely domestic industry, which runs an uncharacteristic trade deficit with the rest of the world, many of the reasons behind this revival are uniquely Japanese.

It is one of Japan's oldest industries, with more than 500 companies supplying the market. Paper and pulp makers were persuaded to accept a programme of rationalisation sponsored by the Ministry for International Trade and Industry (MITI) in late 1983. According to the Japan Paper Association, that programme laid the foundation for the industry's recent recovery.

So far, between 30 and 60 per cent of the targets for capacity shutdowns have already been met. In paper, excluding newspaper, for example, 269,000 tonnes out of a total elimination target of 951,000 tonnes have been shut. In containerboard,

850,000 tonnes out of a total target of 1.5m tonnes have been shut to date. The end result will cut 20 per cent of the overall containerboard sector. The targets, according to the JPA, were set by a council which included producers, consumers, academics and MITI officials. The JPA points out

recovery rate from 32.7 per cent of total paperboard and paper production to 50.4 per cent last year. "It is the custom of Japanese households to preserve our national resources," said Mr Kenji Okawa, managing director for the international division of the JPA. In addition

offsetting the drop in newspaper. At the same time, producers were able to hold price inflation to almost zero for the last two years.

As a result of these and other measures, the paper companies last year managed to outstrip the profitability of Japan's overall manufacturing average for the first time, with a 4.3 per cent operating margin compared to a 4.2 per cent margin for industry in general, according to JPA figures.

Looking ahead, the industry is gearing itself for tougher times. Unlike other industries in Japan, the paper and pulp companies have already had to accommodate a fair amount of imports from the U.S. For example, while domestic demand had been increasing by around 1 or 2 per cent a year over the past five years, imports have been increasing by 17 per cent a year.

The U.S., according to the JPA, has been largely responsible for this increase. In 1973, American paper and pulp made up only 11 per cent of imports. Last year, U.S. products amounted for 51.3 per cent of the total. Imports overall have made a reasonable dent in the Japanese market for paper and pulp, amounting to about 10 per cent of the newspaper market, 13.2 per cent of the kraft linerboard sales and 8.5 per cent of unglazed kraft. Exports by the industry are fairly insignificant.

that MITI has no sanctions to levy against those companies which do not comply. Even so, the trade association is reasonably confident that all the targets will be met.

In addition to the government-inspired rationalisation programme, the paper companies have their persistent waste collectors. These men travel about residential communities in small vans with loudspeakers offering free toilet rolls to households which hand over their old newspapers. In the past 10 years they have helped to boost the waste paper

to this increased use of cheap waste paper, energy costs for the paper companies have dropped by 30 per cent over the last five years.

On the demand side, Japan's paper and pulp industry has enjoyed two further bonuses. Unlike America and Europe, demand for its products has remained on a gentle increase for 46 months, about 16 months longer than the usual cycle. The reason for this steady, although modest, strength in demand is that consumers were buying more computer papers and coated papers in the period

### Japan's trust banks well ahead

BY OUR TOKYO STAFF

IN CONTRAST to the slowdown seen at Japan's city and regional banks, the country's seven trust banks posted record earnings in the year to March, with combined pre-tax profits ahead by 49.1 per cent. Wider interest rate spreads, strong performances by their international divisions and better commission income from asset trusts underpinned the surge in earnings.

Sumitomo Trust and Banking remained the biggest earner at both the pre-tax and net levels. Chuo Trust and Banking showed the largest pre-tax surge, of 71.4 per cent, although Mitsubishi Trust and Banking—number one in asset terms—had the best net rise at 27.7 per cent.

Combined revenues of the seven emerged at ¥3,413.5bn (\$12.7bn), up 35.4 per cent.

Loan trust income rose 23 per cent, while pre-tax profits from international operations soared 41.6 per cent to ¥99bn. The overseas advance reflected the expansion of business out-

#### JAPANESE TRUST BANKS

Parent company results (¥bn), year to March 1985

	Gross revenue	Pre-tax profits	Net profits
Mitsubishi	783.07	47.20	18.78
Sumitomo	(+30.5%)	(+54.5%)	(+27.7%)
Sanmei	570.54	50.71	18.94
Mitsui	(+37.7%)	(+39.4%)	(+25.5%)
Yasuda	676.25	32.23	14.89
Chuo	(+28.7%)	(+44.5%)	(+22.5%)
Nippon	618.46	28.40	10.35
Toyoko	(+51.7%)	(+48.3%)	(+21.1%)
Chuo	353.80	24.84	9.84
Nippon	(+31.2%)	(+42.6%)	(+22.6%)
Chuo	214.17	10.82	2.97
Nippon	(+43.1%)	(+71.4%)	(+19.2%)
Chuo	107.72	3.44	1.53
Nippon	(+23.4%)	(+27.9%)	(+14.7%)
Total	3,413.5	200.85	77.27
	(+35.4%)	(+49.1%)	(+27.7%)

side Japan, as well as the effects of the yen's depreciation on dollar-denominated transactions. For example, Mitsubishi Trust Bank's net assets increased by ¥2,400bn, of which foreign currency assets accounted for ¥1,700bn. For the current year all seven

expect to maintain the upward trend. Additional overseas out-lets are being planned.

Japan's corporate pension fund assets, estimated at ¥14,000bn are expected to quadruple in the next ten years, reflecting an ageing population profile.

## 1984: A YEAR OF PROGRESS AT UNITED MIZRAHI BANK

THE MAIN POINTS OF THE CONSOLIDATED BALANCE SHEET AND THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR 1984 (ADJUSTED FOR THE EFFECT OF INFLATION ON THE BASIS TO INDEX FOR NOVEMBER 1980)

CONSOLIDATED BALANCE SHEET	31.12.84 IN MILLIONS \$
TOTAL ASSETS	4,780
DEPOSITS FROM THE PUBLIC AND BANKING INSTITUTIONS	4,063
SHAREHOLDERS EQUITY	178
CASH AND DUE FROM BANKS	1,055
LOANS	3,183
OTHER ASSETS	214
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED	31.12.84 IN THOUSANDS \$
NET PROFIT (LOSS)	5,051

\*\* RECLASSIFIED AND READJUSTED

### UNITED MIZRAHI BANK AND ITS SUBSIDIARY COMPANIES

UNITED MIZRAHI BANK (SWITZERLAND) LTD.	1984 IN MILLION IN MILLION	1985 IN MILLION IN MILLION
TOTAL ASSETS	567	513
CAPITAL, RESERVES AND LIABILITIES	36	25
NET PROFIT	3.4	2.8

UNITED MIZRAHI BANK LTD. Head Office: 13 Rothschild Blvd. Tel Aviv 6121, Tel. (03) 629211, 85 Branches throughout Israel. UNITED BANK AND TRUST COMPANY, Head Office: Rockefeller Center, 680 Fifth Avenue, 27th Floor, New York, N.Y. 10111, U.S.A. Tel. (212) 841-8070, Telex: 666557 UMB LW. UNITED MIZRAHI BANK (SWITZERLAND) LTD. 1, Leventhalstrasse, P.O.B. 411, CH-8001 Zurich, Switzerland, Tel. (01) 211-9628, Telex: 812837 UMB CH. UNITED MIZRAHI FINANCIAL CORPORATION LTD. Licensed Dealer in Securities, 105 Cannon Street, London EC4N 3AD, England, Tel. (01) 623-1230, Telex: 956654 UMB G.

### Wells Fargo & Company

U.S. \$150,000,000

Floating Rate Subordinated Notes due 1994

In accordance with the provisions of the Notes, interest is payable on the relevant interest payment date 6th September, 1985 will amount to US\$198.06 per US\$100,000 Note.

Agent Bank: Morgan Guaranty Trust Company of New York, London.

#### NOTICE TO BONDHOLDERS

F.L. SMITH & CO. A/S

U.S. \$200,000,000

9 1/4 PER CENT BONDS DUE 1988

Bondholders are hereby informed that the July 1, 1985 Redemption

instalment of U.S.\$1,325,000 has been fully satisfied through pur-

chases in the open market, leaving a balance remaining in circulation

of U.S.\$1,325,000.

THE CHASE MANHATTAN BANK, N.A.

Principal Paying Agent

June, 1985







## UK COMPANY NEWS

# Reed on target at £108m thanks to U.S. strength

OPERATIONS in the U.S. were doubly important to Reed International's performance in the 1984/85 year. Not only did improved overseas results, especially in U.S. publishing, offset a domestic profit downturn, but the group also made a gain of 27m on the strength of the dollar.

The exchange rate bonus was part of an overall £18m improvement in profits outside the UK, which helped Reed to meet market expectations with pre-tax profits ahead by nearly 12 per cent at £107.5m. The comparable figure was £95.4m.

Sir Alex Jarrett, the chairman, who is to step down in favour of Mr Leslie Carpenter next August, said that UK markets were generally highly competitive, and pointed to difficult domestic trading conditions in the consumer publishing, building products, packaging and paper divisions.

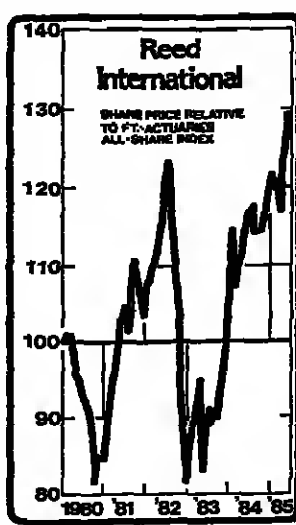
In contrast, overseas operations supplied 47 per cent of total profits — a rise of more than 10 per cent — on sales ahead by 31 per cent at £748.1m. Non-UK operating profits came to £60.3m. The chairman singles out the expanding Cahners U.S. publishing business as particularly successful.

Group turnover totalled £2.12bn, up from £2.04bn, but the contribution from the UK publishing division fell from £1.47bn to £1.37bn.

In the course of the year Reed sold its investments in Mirror Group Newspapers, London and Provincial Posters and Spicer McGowan with a net surplus on divestment of £53m, and most of the remaining printing businesses were sold or closed at a net loss of £6m. These items show an extraordinary gain of £15m in the accounts, after a net provision of £32m for possible further rationalisation in the UK paper and board activities.

The dividend for the year is raised by 12 per cent with a final 12.75p (11.5p) on top of the interim 5.75p (5p). Earnings per share are shown at 53.6p, down from 57.7p. The higher dividend will cost £22m.

Interest charges were up from £19m to £21m. A rise in the effective rate of overseas tax — mainly due to the exhaustion of



Reed International  
SHARE PRICE RELATIVE TO FT-100 INDEX  
1980 81 82 83 84 85

most brought forward losses in the U.S. — was the chief reason for a substantial rise in the 1984-85 tax bill, up from £27.7m to £43.3m. Attributable profits came out at £78.7m against £88.2m.

In his review of operating groups, the chairman said that Reed Publishing continued to make vigorous progress and increased trading profit by 42 per cent to £57m. The group generated 45 per cent of trading profit from 21 per cent of balance sheet capital employed. With significant new investment, the rapidly expanding Cahners business in the U.S. was particularly successful. UK regional newspapers continued to develop and substantial investment was made in electronic data based publishing.

In Consumer Publishing, the fall in profit from £16m to £11.4m was largely attributable to lost issues as a result of a journalists' strike and sharply increased paper costs. The European Couriers Magazines Group was acquired.

The Building Products division suffered from the imposition of VAT on home improvements. This impaired the already depressed UK market for building materials and turnover was maintained but at much reduced margins. Key Tarnis suffered

particularly from severe price cutting by competitors. Profits from the UK businesses in the second half of the year were significantly reduced. In Holland, Spinx benefited from previous investment and rationalisation and produced much improved results.

Paint and DIY profits were higher in all main areas both in the UK and overseas. Frazee Industries (paints) and W. F. Taylor (adhesives) were acquired in the U.S. for £24m and contributed £5m to trading profit.

UK demand in the Packaging division was generally static and Medway Sacks, a major supplier to the coal industry, was badly hit by the miners' strike. Reed Corrugated Cases experienced sharp rises in raw material costs related to the strength of the dollar. Despite this, improved efficiency following rationalisation resulted in increased profits.

Spicers office products, part of Reed Trading, continued to grow with improved profits. Maybank benefited from a very strong market for waste paper. Reed Carbonless Papers, with a good production performance, returned to profits. Spicer Cowan significantly improved its profit prior to its sale last February.

In the first three quarters, UK mills lost £2m but returned to profit in the last quarter. Contributory factors to the turn round were a fall in excessively high pulp prices; reduced energy costs resulting in investment in converting boilers from oil-burning to gas; and the planned closure of six paper and board machines. The mill in Holland with record sales achieved satisfactory profit.

In North American Paper, the Quebec mill maintained full capacity working and continued the investment programme of machine upgrading. Profit improved as a result of higher U.S. newspaper prices but margins in offshore markets were poor. Chemical operations maintained profits but flexible packaging suffered a setback.

## Bunzl backs bid with £40m profit forecast

By Alexander Nicol

Bunzl, the paper group, yesterday forecast a 44 per cent rise in 1985 profits to over £40m and a 33 per cent dividend increase as it put the case for its £119m bid for Brammer, the bearings distribution group.

Its formal offer document had a dual purpose: to persuade Brammer shareholders to accept its offer and to dissuade them from approving Brammer's planned £44m acquisition of Energy Services & Electronics, an electronic equipment rental group. If Brammer shareholders approve the ESE bid at a meeting on June 14, Bunzl's bid will lapse.

In support of its own bid, Bunzl estimated that pre-tax profits of £27.7m in 1984 to over £40m this year, and that total dividend will be increased from 7.5p to 10p.

Acceptance of Bunzl's share bid would give Brammer shareholders a 50 per cent increase in capital value and a 50 per cent income boost, Bunzl said.

Bunzl argued that it and Brammer had a strong fit, both distributing products to demanding customers, and that its record in development of distribution businesses would enhance Brammer's performance.

Mr James White, Bunzl managing director, said the compatibility of the two companies and their relative philosophies were discussed at a meeting with Mr John Head, Brammer chairman, and Mr Robbie Foulkes-Jones, joint managing director, on April 25 — before the two bids were launched and after Bunzl had sold a 4.6 per cent stake in Brammer.

"I get the message that they wanted to continue the dialogue," Mr White said. "While they claim that it was a social event, there's no way that construction could be put upon it."

Mr Foulkes-Jones retorted yesterday that "they called it a meeting, we call it a dinner. We did discuss how we do business, and we talked about how we didn't fit, how we didn't need them."

Among Bunzl's other arguments in support of its bid were that Brammer has "unsuccessfully diversified away from bearings distribution, failing to become a significant presence in new fields; Bunzl could help it to develop in the U.S. and in the UK electronic components fields; and Bunzl's earnings and dividend growth have outperformed Brammer's over the past five years."

Mr Foulkes-Jones responded that Brammer has halved its dependence on bearings over the past five years, and that it moves into other areas have produced increases in earnings. "We are in the quality end of the service business," Mr White believes that the thing to do is to go for volume. We disagree."

Arguing against Brammer's bid for ESE, Bunzl said the acquisition would dilute Brammer's earnings per share by 15 per cent and reduce net tangible assets per share by nearly 30 per cent. ESE would benefit Brammer's management resources and its main business, equipment rental, had nothing to do with distribution.

Bunzl said Mr Foulkes-Jones said the earnings per share calculation included the loss-making Neve Audio, for which ESE has had a number of approaches.

Brammer put its case for the ESE acquisition at its annual general meeting. Mr Foulkes-Jones said later that "if we can convert 10 per cent of our customers to ESE's rental business, we can double ESE's customer base."

Bunzl's share price yesterday rose 5p to 410p, ending at 120p yesterday, 10p short of maximum value of the offer and valuing the company at £49m.

Abbey Life Group, Britain's second largest linked-life concern, is the first life company in nine years to come to the market.

However, it has been very much in the limelight ever since it was founded in 1961 by Mr Mark Weinberg, now chairman and chief executive of Hambro Life Assurance, Britain's largest linked life group and now a member of BAT Industries.

Mr Weinberg staked everything in the future of Abbey Life by marketing the then novel concept of linked-life assurance, with emphasis on single premium bonds linked to equity-based funds.

In 1961 this type of life assurance was just off the drawing board and predicted by the establishment never to get acceptance in the face of traditional life products.

It was also held by the establishment in the 1960s that it would take at least 20 years for a life company to stand on its own feet financially, such was the financial strain of putting new business on the books.

These pundits were proved wrong by Mr Weinberg who saw that linked life assurance, with its emphasis on savings rather than protection, was what the public wanted and that by concentrating on single premium bonds the underlying funds could be expanded rapidly without much financial strain.

Growth in the first few years of Abbey Life was spectacular as the investment public and insurance salesmen took to the unit-linked concept.

However, there were problems during the late 1960s and early 1970s arising from the acquisition by ITT of a stake in Abbey Life which resulted in Mr Weinberg leaving to form Hambro Life — taking many vital personnel from Abbey Life with him.

It took Abbey Life several years to recover from this blow. In particular, its administration services — vital for the success of operation of unit-linked business — were badly affected. For some years Abbey Life languished in the shadow of Hambro Life.

Under the guidance of its chairman and chief executive Mr Michael Hefner, Abbey Life has shown that it has fully recovered from the post-Weinberg effects and has shown very impressive growth in its operations.

The prospectus shows that total net premiums over the past five years have risen from £94.5m in 1980 to £223.9m in 1984, with premium income rising over that period from £167.2m to £376.1m.

Total life funds went from £863m to £1.8bn — second only to Hambro Life among the linked life companies. Above all, its annual surplus has risen from £8.4m to £30.7m in 1984, with a forecast of £33m in 1985.

At yesterday's launch of the offer Mr Hefner pointed out that the group had three major features in its favour at the present time.

The first is the potential of life assurance marketing in the UK over the next few years, especially in the field of pensions. Abbey Life has, for the past 10 years, directed its main marketing thrust through its direct sales force, who through technically self-employed, are tied to Abbey Life. This sales force now numbers 2,500 and is expanding rapidly.

Second, the group has a wide range of life and pension products tailored to meet the current needs of the public. This is reflected in 1984's new business figures which Mr Hefner claims puts Abbey Life in the top five life companies in the UK, and were only exceeded by the new business figures of the two well established companies, Prudential Assurance and Legal and General.

Third, Mr Hefner claims that Abbey Life has now overcome its administrative problems and offers a service that can match those of other major life companies. On straightforward life contracts the company can issue an acceptance within 24 hours.

Finally, Mr Hefner referred to the financial strength of Abbey Life. To date ITT has not taken a penny out of the group, so Abbey has enough capital to finance its planned new business expansion without depressing profits — usually a regular premium life contract does not start to reach its peak until the end of the second year, so new business expansion requires capital to finance it.

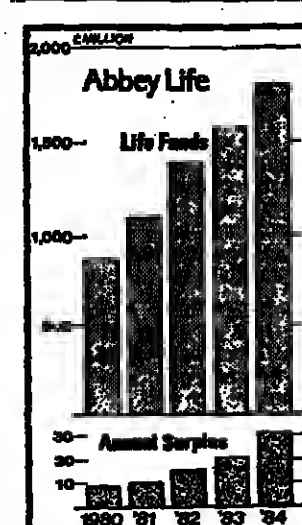
Hambro Life was the previous life company to come to a takeover and it enjoyed a successful share price history up until the time it became part of BAT Industries.

Investors would have done far better holding Hambro Life shares than they would have done investing in any of Hambro Life's bonds.

Now that Abbey Life has become a publicly quoted company, the spotlight is likely to

## Eric Short on Abbey Life's stock market debut

### Born out of a novel concept



Mr Michael Hefner, chairman and chief executive of Abbey Life Group

recovered from the post-Weinberg effects and has shown very impressive growth in its operations.

The prospectus shows that total net premiums over the past five years have risen from £94.5m in 1980 to £223.9m in 1984, with premium income rising over that period from £167.2m to £376.1m.

Total life funds went from £863m to £1.8bn — second only to Hambro Life among the linked life companies. Above all, its annual surplus has risen from £8.4m to £30.7m in 1984, with a forecast of £33m in 1985.

At yesterday's launch of the offer Mr Hefner pointed out that the group had three major features in its favour at the present time.

The first is the potential of life assurance marketing in the UK over the next few years, especially in the field of pensions. Abbey Life has, for the past 10 years, directed its main marketing thrust through its direct sales force, who through technically self-employed, are tied to Abbey Life. This sales force now numbers 2,500 and is expanding rapidly.

Second, the group has a wide range of life and pension products tailored to meet the current needs of the public. This is reflected in 1984's new business figures which Mr Hefner claims puts Abbey Life in the top five life companies in the UK, and were only exceeded by the new business figures of the two well established companies, Prudential Assurance and Legal and General.

Third, Mr Hefner claims that Abbey Life has now overcome its administrative problems and offers a service that can match those of other major life companies. On straightforward life contracts the company can issue an acceptance within 24 hours.

Finally, Mr Hefner referred to the financial strength of Abbey Life. To date ITT has not taken a penny out of the group, so Abbey has enough capital to finance its planned new business expansion without depressing profits — usually a regular premium life contract does not start to reach its peak until the end of the second year, so new business expansion requires capital to finance it.

Hambro Life was the previous life company to come to a takeover and it enjoyed a successful share price history up until the time it became part of BAT Industries.

Investors would have done far better holding Hambro Life shares than they would have done investing in any of Hambro Life's bonds.

Now that Abbey Life has become a publicly quoted company, the spotlight is likely to

turn more on to it and less on to Hambro Life.

There is another interesting parallel with Hambro Life relating to the shareholding. When Hambro Life came on the market, only a minority of the equity was floated. Its parent, merchant banker Hambros, held the majority.

Over the years Hambros sold tranches of its equity holding in Hambro Life, finally selling its remaining 24 per cent to Charterhouse J. Rothschild and leaving Hambro Life a public company. When Hambro Life came on the market, only a minority of the equity was floated. Its parent, merchant banker Hambros, held the majority.

But as yet, they are nowhere near the size of Abbey Life.

## OFFER TERMS VALUE

### ABBEY AT £504m

MERCHANT BANKER S. G. Warburg is bringing Abbey Life Group, to the market, via an offer for sale of 135m ordinary shares of 5p each at a price of 130p per share.

This represents 48.2 per cent of the total issued capital of Abbey Life and values the group at £504m. The remaining 51.8 per cent is being retained by the U.S. conglomerate ITT Corporation, the present owner of the Abbey Life.

The prospectus, issued yesterday, forecasts an actuarial surplus for 1985 of approximately £33m and a dividend payment of 10p net for the year.

This gives a prospective p/e on the offer price of 15.3 and a prospective dividend yield of 6.24 per cent.

The offer for sale provides ITT Corporation with an opportunity to realise part of its investment in Abbey Life Group as announced earlier this year as part of a US\$1.7bn fund raising exercise. ITT said that it did not intend to sell any more of its shares in Abbey Life for at least 12 months.

Application lists will open next Wednesday. Acceptance letters will be posted on Tuesday June 18 and dealings in the ordinary shares will begin the following day. Preferential consideration is being given to employees and sales associates of Abbey Life and its subsidiaries.

## Geers Gross warns of profit drop

By Martin Dickson

Geers Gross, the UK advertising agency, said yesterday its 1985 profits were likely to be substantially below last year's, but also announced an agreement allowing Eurocom, a French advertising holding company, to increase its stake in the group.

Geers's shares rose on the news to close last night at 87p, up 10p on the day.

Eurocom bought a 10 per cent stake in Geers last February at 170p a share under an agreement which allowed it to increase this to a maximum of 20 per cent at the end of 1986.

At Eurocom's request, Geers has now allowed the immediate purchase of more shares, though the 20 per cent maximum remains.

Mr Charles Hoare, Geers' chairman, said last night that the group's U.S. subsidiary had lost a highly profitable account with a sports cable network, ESPN, which had been acquired by a company with an in-house agency.

The U.S. subsidiary had netted £1m last year, but "looking at 1985, it might only break even this year."

Exeter Building  
Exeter Building & Construction Group, the USAI quoted company for which Mr Michael Keot has made a 29.9 per cent tender offer, yesterday urged shareholders to take no action while its directors considered the offer with their financial advisers.

Exeter's shares were unchanged at 120p yesterday, 10p short of maximum value of the offer and valuing the company at £49m.

## NOTICE OF ANNUAL GENERAL MEETING

### FIDELITY FAR EAST FUND

Société d'Investissement à Capital Variable  
37 rue Notre-Dame, Luxembourg  
R. C. Luxembourg B 16926

Notice is hereby given that the Annual General Meeting of the Shareholders of FIDELITY FAR EAST FUND, a société d'investissement à capital variable, organized under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the principal and registered office of the Fund, 37 rue Notre-Dame, Luxembourg, at 11.00 a.m. on June 25, 1985, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors.
2. Presentation of the Report of the Statutory Auditor.
3. Approval of the Balance Sheet at February 28, 1985 and Income Statement for the fiscal year ended February 28, 1985.
4. Discharge of Board of Directors and the Statutory Auditor.
5. Election of eight (8) Directors, specifically the re-election of all present Directors, Messrs. Edward C. Johnson 3d, William L. Byrnes, Charles A. Fraser, Hideo Kurokawa, John M. S. Patton, Harry G. A. Seggeman, James E. Tomer and Finlunstr.

6. Election of the Statutory Auditor, specifically the re-election of the present Statutory Auditor, Maurice J. Sargent.
7. Declaration of a cash dividend to the Shareholders, and authorization of the Board of Directors to declare further dividends in respect of fiscal year 1985 if necessary to enable the Fund to qualify for "distributor" status under United Kingdom law.
8. Consideration of such other business as may properly come before the meeting.

Approval of the above items on the Agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting, with no minimum number of shares required to be present or represented at the Meeting in order to establish a quorum. Subject to the limitations imposed by law and the Articles of Organization of the Fund, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: May 24, 1985

By order of the Board of Directors

FIDELITY FAR EAST FUND is an Investment Company with the objective of seeking long term capital growth from a diversified portfolio of predominantly Japanese companies. Investment will also be made in companies located elsewhere in the Pacific Basin. At May 15, 1985 the Fund's assets were invested in Japan 63%, Hong Kong 6%, Australia 3%, Thailand 1.5% and cash and miscellaneous 6.5%. The Fund was launched in November 1979 at \$20 (adjusted for stock split on July 23, 1984). Since launch the offer price of shares has risen by 111% to \$21.15. The Fund is now valued at \$21.15.

Copies of the Offering Circular and latest Quarterly Report can be obtained from Fidelity International at:

P.O. Box 670, Pembroke Hall, East Broadway, Pembroke, Hamilton, Bermuda. Tel: (809) 295 0665 Telex: 0280 3318

9 Bond Street, St. Helier, Jersey, C.I. Tel: (0334) 74996 Telex: 4192260

## Interims up 35% following 8 consecutive years of increased profit.



Results for the half year to 31 March:-

	1985	1984	Increase
	£m	£m	%
Sales	75.7	57.4	32
Profits before tax	5.1	3.8	35
Earnings per share	8.08p	6.56p	23

### Highlights from the Chairman's Statement:-

- \* The benefits of our heavy capital expenditure are now paying off.
- \* Our North American investments have had a particularly good half year.
- \* We are well pleased by the progress of our recent acquisitions.
- \* The Group is growing fast and profitably.

A copy of the full interim statement and last year's annual report can be obtained from the Company Secretary, McCorquodale PLC, McCorquodale House, Telford Road, Basingstoke, Hampshire RG21 2YA. Telephone (0256) 465511.

**MCCORQUODALE**  
International Specialist Printers and Publishers

## A LEADER IN SPECIALIST PERSONNEL FOR THE OIL INDUSTRY.

McMillan Offshore (Scotland) Ltd is a leading supplier of personnel to the North Sea oil industry and is one of several energy-related companies in London and Northern Group PLC.

Other London and Northern Group companies in this field include Aberdeen Testing Services, who supply and test lifting equipment for the North Sea industries. Steel Stockholders, profiling contractors for oil rig construction, and Cavendish Petroleum, producers of oil and gas in the USA, together with an investment in Industrial Scotland Energy PLC.

In North East Scotland, Cameron-Farquhar Group in Aberdeen, have constructed several

prestige office blocks and substantial land based infrastructures for the leading oil companies.

London and Northern Group PLC includes a number of other leaders in their fields, such as United Medical Enterprises, Britain's leading name in the fast-growing world healthcare market. Blackwell Tractor Shovel, Britain's leading independent earthmover, and Weatherseal Windows, pioneers in domestic double glazing.

Send for the latest London and Northern Annual Report and find out more about a Group with a turnover in excess of £250m and which continues to extend its interests in growth fields.

**LONDON AND NORTHERN GROUP PLC**  
Essex Hall, Essex Street, London WC2R 3JD Tel: 01-836 9261



## UK COMPANY NEWS

### Debenhams has abdicated its retailing roll-Burton

BY MARTIN DICKSON

Burton yesterday shed a major burden in its £478m takeover bid for Debenhams. It coupled the announcement with a forecast of a 20 per cent increase in its retailing record and said it had a formula to "revitalise large surface area shopping in the home".

The commitments were made in the formal offer document to Debenhams shareholders, which also said Burton expected to report satisfactory results for the year to August. It forecast a final dividend of 8p a share (4.5p), making a total of 8.5p for the year, up 30 per cent on 1984-85.

Last night Debenhams chairman, Mr Robert Thornton, said the document did not take anything further and dismissed the offer as derisory.

Burton, whose bid is being made in association with Habitat-Mothereux, contrasted what it called its own outstanding financial performance over the past five years with Debenhams' uninspiring record.

It claimed Debenhams record was poor because its management had "progressively abdicated their role as retailers, becoming instead landlords and credit card operations dependent on the retailing skills of others."

A growing proportion of Debenhams trading space, it said, had been "rented out" to a "proliferation of franchisees and concessionaires."

Burton said it intended to create a new retail concept in Debenhams stores, the "Galleria," a complete selection of clearly defined ranges of goods and services under one roof. It would bring together some of the existing trading divisions of Burton and Habitat-Mothereux and, equally important, the completely new formats for the over-30s clothing market which Burton was developing.

It noted that while two thirds of Burton's customers were under 30, most of Debenhams were over 30 and the stores were widely recognised as prime candidates for a change to a new and more exciting retailing style, primarily serving this age group.

On Debenhams existing trading arrangements with Harris Queensway, the furniture group, the document merely said that Burton had "considerable admiration for Harris Queensway's retailing abilities and looked forward to developing the trading arrangements in a mutually beneficial way."

The cover of the document, an artistic display unusual in bid literature, features a sketch of the exterior of a "Debenhams Galleria."

Burton is offering three of its shares and £2.50 in cash for every five of Debenhams. On



Mr Ralph Halpern, chairman of Burton

the basis of last night's Burton closing price of 48.5p, up 3p on the day, the offer is worth 38.5p a Debenhams share. There is a 31.1p cash alternative.

Debenhams share price closed last night at 40.5p, up 3p on the day, a fact emphasised by Mr Thornton when he attacked the bid for offering shareholders "a reduction in both capital and income."

He noted the absence of a profits forecast in the Burton document and suggested that the group's Principles chain, launched last year for the over-30s market, had "fallen flat on its face."

Debenhams' annual report, published yesterday, shows that Mr Thornton's remuneration rose last year from £96,888 to £160,082—a rise of 65 per cent. It also includes a performance-related bonus. Mr Thornton said last night that he brought his pay to about one-third of that of Mr Ralph Halpern, Burton's chairman.

In a note, issued with the annual report, Mr Thornton said he was confident of Debenhams at least maintaining its dividend despite a proposed one-for-five bonus issue of shares, which would represent a real increase of 20 per cent.

Burton's document also details its offer to preference shareholders. These are 100p in cash for £1 a preference stock and 50p in cash for each B preference share.

### Common suspended for refinancing

BY CHARLES BATCHELOR

THE shares of Common Brothers, the loss-making Newcastle-upon-Tyne shipping group, were suspended yesterday to allow the company to agree a refinancing package with its bankers.

Common is capitalised at just £1.92m on the basis of the 32p suspension price. This compares with a price of 112p last November before it announced that a £17m write-off on a drilling ship. This pushed it into a loss of £26.1m in the year ended June 1984 compared with a previous profit of £5.2m.

The company said it had put a plan, drawn up by its merchant bank, Hill Samuel, to its four main lenders, to rearrange certain loan facilities, dispose of some of its assets and convert a significant portion of its loan and charter obligations into share capital.

Mr Kristian Slamm, chief executive, said: "The mood of our bankers is positive but we are not quite there. The shipping world is difficult but we have not yet found a way out."

Common said that its bankers were continuing to provide it with interim facilities while the discussions take place. The company had not intended to make any announcement until it had completed negotiations with its bankers but it had decided to request a suspension when its share price fell. Dealings were marked on Tuesday at 43p, 11p higher than the suspension price.

Common's cruise activities, its livestock carrier and two LPG vessels have been profitable but the product tankers have lost money and the bulk carrier has been barely breaking even.

DRD Frigg, a drilling vessel bought in 1981, is currently laid up but the drilling market has shown more activity in recent months and there are prospects of it finding work, Common said.

Common is 53 per cent owned by Norex Corporation, a Bermuda-based company which is controlled by trusts of Mr Slamm. The Common family own about 10 per cent.

News of Common's problems came less than a week after Reedwood Smith Line, a Cardiff shipping company, announced it would go into liquidation because of mounting losses.

**British Empire**  
Subscriptions have been received for £2.5m new ordinary 10p shares in British Empire Securities and General Trust, representing 77.4 per cent of the rights issue.

The Imperial Life Assurance Company of Canada subscribed for 14.24m shares, and now holds 20 per cent of the enlarged capital. The balance of 18.23m shares, was sold in the market at an average net price, after deduction of the 5p subscription price and sales expenses of 0.0625p per share.

### Henderson Administration profit expands by 43% to £12.48m

A RISE of 43 per cent in pre-tax profits, from £8.72m to £12.48m, is reported by the financial and investment management company Henderson Administration for the year ended March 31 1985.

The group's revenue showed a near 30 per cent rise from £15.9m to £20.14m, while its operating profit on its main activities climbed more than 50 per cent to £5.85m (£3.72m).

The net profit of the ordinary activities of the group rose by 45 per cent from £1.79m to £2.58m. After extraordinary credits of some £2.1m and a transfer out to initial charges equalisation reserve are taken into account the net attributable profit more than doubled from £3.95m to £8.31m.

Earnings per share were 67.33p before the transfer, and £1.74p after the transfer. The dividend payment for the year is increased by 60 per cent to 16p (10p) with a final payment of 12p.

The overall gain to the group of its disposal of its holding in Henderson Saring Management was £3.56m gross—£4.17m after tax—of which £2.16m was treated as an extraordinary item and the £2m balance being the group's share of undistributed reserves.

The company does not provide a profit breakdown between the various operations in the preliminary results; this is provided in its report and accounts. However, it says that all sectors showed a strong rise, with profits from the unit trust operations still providing the majority of overall profits. However, profits from management fees on pension fund and private client investment rose faster.

Total funds under management increased nearly 50 per cent during the year from £1.78bn to £2.58bn, with the out-riding growth coming from its pension fund operations. Here, direct portfolios more than doubled from £410m to £872m and together with other tax exempt clients accounted for the largest single category of funds under management.

Its unit trusts operations also did well, rising to £988m at the end of the year. Henderson's share of the unit trust market rose to 6 per cent.

The performance of its major investment trusts managed by the group was in the top 25 per cent on performance measures.

Private clients business recorded a 92 per cent rise in funds to £17m.

**Comment**  
Henderson's results were well above market expectations, with all sectors doing well under what has been very favourable conditions for investment management companies. Its main unit trust activities fully participated in the recent boom, with the group increasing its market share. Its moves to expand marketing outlets are now starting to bear fruit as the comfortable margins will ensure that these operations will remain the chief profit earner for the group.

The major success story is the group's expansion in the area of pension fund investment management—a field it entered just eight years ago. Employers are becoming far more critical of the performance of their pension funds and Henderson's record in the top quartile of the NW Computing Services survey—has enabled it to attract new business, as has its independence from any other financial institution. Margins, however, are much slimmer on pension fund management compared to unit trust operations and the group has to work hard to produce profit increases. Nevertheless, growth should continue in the current year as equity markets remain strong. The market reacted sharply to the results lifting the share price 90p to 85p, giving a p/e of 12.2—which still does not fully reflect the group's potential.

#### Heywood

Heywood Williams Group owns or controls some 82.6 per cent of the Planet Group according to acceptances received by June 4. By 3.30 pm on that date acceptances for the Heywood offer had been received from the holders of 91.1 per cent of the Planet share capital. The offer has become wholly unconditional and is being extended until further notice.

**LADBROKE INDEX**  
1.014-1.018 (+3)  
Based on FT Index  
Tel: 01-427 4411

### Rayford Supreme shares jump 75p on bid talks

BY ALEXANDER NICOLL

The share price of Rayford Supreme Holdings, USM-quoted retailer of electrical goods, jumped 75p yesterday to 20.5p, valuing it at £17m, after the company disclosed that it is in discussions which may lead to an offer.

A bid for the company would need the backing of its founder and chairman, Mr Raymond Horney, who holds 72 per cent of the equity.

That Mr Horney could be in talks with a potential bidder surprised the City. The company went public in 1983 and has since spent heavily on a rapid expansion to create a chain of retailing 32 branches, all in southern England.

Having built a network based on two depots at Shoreham and Swindon, Rayford could what it expand further at relatively little additional cost, analysts said. Rayford does, however, have an erratic profit record, rising from £251,000 in the year before flotation to £1.8m pre-tax in the year ended September 30, 1983, then dropping to £1.2m in the last financial year. Profits are expected to rise nearer the 1983 total this year.

Following takeovers of Comet and Cury's last year, Rayford is the only pure retailer of electrical goods apart from Dixons to have a stock market quote.

An obvious candidate to bid for Rayford would be Harris Queensway, which made an

unsuccessful attempt to buy Comet last year. Whether or not Harris is interested, the potential bidder is thought likely to come from outside the electrical retailing business.

Simon Engineering, a privately-owned company based in Norfolk. The initial consideration for the purchase, amounting to £1.5m, will be raised by the issue of 618,000 Simon ordinary shares of 25p each, of which 432,787 will be placed through Rowe & Pitman, and the balance retained by Simon.

The acquisition will complement Steel's operations in Canada through Eagle Flight Catering at Vancouver, Edmonton and Toronto, and Warwick Night catering in England.

Steel Brothers also acquires Air Cuisine's subsidiary, Winter, star.

#### Trading Results

Turnover increased by 4% to £211.5m (1984: £204.3m). Excluding major investments, the increase for continuing businesses was 17%.

Pre-tax profit increased by 12% to £107.5m (1984: £96.4m).

Historical trading profit increased by 13% to £127.1m (1984: £112.7m). Current cost trading profit increased by 3% to £68.8m (1984: £66.6m).

The dividend for the year is to be increased by 12% from 16.5p to 18.5p.

	1985	1984
£ million	Trading	Trading
Sales	211.5	204.3
Profit	107.5	96.4
Reed Publishing	523	57.2
Consumer Publishing	207	11.4
Reed Building Products	194	8.9
Paint and DIY	247	17.4
Packaging	334	18.4
Reed Trading	210	9.6
European Paper	196	2.3
North American Paper	191	5.2
Decorative Products	113	3.4
Mirror Group	75	1.2
Newspapers	75	1.2
Central Costs	(7.9)	(7.9)
Inter-Company Sales	(175)	(173)
	2,115	127.1
	2,043	112.7

Turnover and trading profits achieved record levels. With generally highly competitive markets, UK profits declined but the fall was more than offset by improved results overseas, notably in publishing in the USA. The weakness of sterling contributed £7m to an £18m improvement in overseas profit. Exceptional costs for rationalisation charged against trading profit were £5m (1984: £10m).

#### Review of Operating Groups

**Reed Publishing.** The largest British owned publishing and exhibitions group continued to make vigorous progress and increased trading profit by 42% to £57m. The group generated 45% of Reed International's trading profit from 21% of balance sheet capital employed. With significant new investment, the rapidly expanding Cahners business in the USA has been particularly successful. UK regional newspapers continued to develop and substantial investment was made in electronic data based publishing.

**Consumer Publishing.** The fall in profit this year was largely attributable to lost issues as a result of a journalists' strike and sharply increased paper costs. The European Country Magazines Group was acquired.

**Reed Building Products.** The imposition of VAT on home improvements seriously impaired the already depressed UK market for building materials. Turnover was maintained but at much reduced margins. Key Terrain suffered particularly from severe price cutting by competitors. Profits from the UK businesses in the second half of the year were significantly reduced. In Holland, Sphinx benefited from previous investment and rationalisation and produced much improved results.

**On 30 May 1985,** the Company announced that it is seeking purchasers for the companies within the Building Products Group.

**Paint and DIY.** Profits were higher in all

main areas both in the UK and overseas. Frazee Industries (paints) and W F Taylor (adhesives) were acquired in the USA for £24m and contributed £3m to trading profit.

**Packaging.** UK demand was generally static and Midway Sacks, a major supplier to the coal industry was badly hit by the miners' strike. Reed Corrugated Cases experienced sharp rises in raw material costs related to the strength of the US dollar. Despite this, improved efficiency following rationalisation resulted in increased profits in the UK. Higher demand and greater efficiency increased profits in Holland. The group continues to develop plastic packaging in addition to traditional paper products.

**Reed Trading.** Spicers office products business continued to grow with improved profits. Maybank benefited from a very strong market for waste paper. Reed Carbonless Papers with a good production performance returned to profit. Spicer-Cowan significantly improved its profit prior to its sale in February 1985.

**European Paper.** In the first three quarters, UK mills lost £3m but returned to profit in the last quarter. Contributory factors to the turn round were: a fall in excessively high pulp prices; reduced energy costs resulting from in-

vestment in converting boilers from oil-burning to gas; and the planned closure of six paper and board machines. The mill in Holland with record sales achieved satisfactory profit.

**North American Paper.** The Quebec mill maintained full capacity working and continued the investment programme of machine upgrading. Profit improved as a result of higher US newspaper prices but margins in off-shore markets were poor. Chemical operations maintained profits but flexible packaging suffered a setback. The Greenville joint venture sawmill continued unprofitable and was sold at a loss of £2m.

**Decorative Products.** Following extensive rationalisation programmes, the group achieved modest profits. Since the year-end the Company has sold the Crown and Sunworthy wallcoverings businesses and is negotiating to sell Sanderson.

**Taxation**  
The effective rate of taxation increased to 40% of profit before taxation (1984: 29%). The basic rate of Corporation Tax in the UK reduced from 50% to 45% but this was more than offset by the ending of stock relief and reduced capital allowances, which increased the effective rate from 33% to 41%.

#### PRELIMINARY CONSOLIDATED PROFIT STATEMENT for the year to 31 March 1985

Historical Cost	Year	1985	1984
£ million			
Turnover		1367.1	1474.0
United Kingdom and Exports		748.1	569.0
Overseas		2115.2	2043.0
Trading Profit before Exceptional Items		132.2	122.7
Exceptional Items		(5.1)	(10.0)
Share of Profits of Related Companies		1.4	2.7
Operating Profit		68.2	73.3
United Kingdom		60.3	42.1
Overseas		128.5	115.4
Interest		(21.0)	(19.0)
Profit before Taxation		107.5	96.4
Taxation		(21.8)	(18.3)
United Kingdom		(21.5)	(9.4)
Overseas		(43.3)	(27.7)
Profit after Taxation		64.2	68.7
Outside Shareholders' Interests		(0.3)	(0.3)
Preference Dividends		(0.2)	(0.2)
Profit before Extraordinary Item		63.7	68.2
Extraordinary Item		15.0	—
Profit attributable to Ordinary Shareholders		78.7	68.2
Ordinary Dividends paid and proposed 1985: 18.5p per share (1984: 16.5p per share)		(22.0)	(19.5)
Retained Profit		56.7	48.7
Earnings per Ordinary Share		53.6p	57.7p

The figures for the year are abridged from the Group's full accounts for that period, which have received an unqualified auditors' report and will be filed with the Registrar of Companies after the Annual General Meeting.

The exhaustion of most brought forward losses in the USA increased the effective rate of overseas taxation from 23% to 39%.

#### Group Restructuring and Extraordinary Items

The Company sold its investments in Mirror Group Newspapers, London and Provincial Posters and Spicer-Cowan with a net surplus on divestment of £53m.

Most of the Group's remaining printing businesses were sold or closed with a net loss of £6m.

At the half-year, following the decision to close loss-making paper machines, the Board announced its intention to make provision for possible further rationalisation in some of the UK paper and board activities. The net provision amounts to £32m.

These items are reported as a net extraordinary gain of £15m.

#### Intangible Assets and Goodwill

A revised accounting policy for intangible assets and goodwill has been adopted. Publishing rights and titles and exhibition rights are stated at fair value on acquisition, and having no finite economic life are not subject to amortisation. Any other excess cost or goodwill is written-off against consolidated reserves. Previously capitalised goodwill of £50m has been written-off to reserves as a prior-year adjustment and the 1984 balance sheet restated.

#### Finance

CONSOLIDATED BALANCE SHEET	
£ million	1985 1984
Funds Invested	
Shareholders' Funds	649 597
Outside Shareholders' Interests	4 4
Loan Capital	177 171
Net Overdraft (cash)	(9) 18
	824 790

**Funds Employed**  
Properties and Plant 448 456  
Investments 15 17  
Intangible Assets 106 63  
Working Capital 255 254  
Capital Employed 824 790

Trading cash flow was £36m (1984: £64m) after capital expenditure of £103m (1984: £81m).

Proceeds from divestments were £146m (1984: £8m) and investment in new acquisitions totalled £70m (1984: £22m).

Net indebtedness at the end of the year was £171m (1984: £189m). The Debt/Equity Ratio was 32% (1984: 36%).

#### Earnings and Dividends

Profit attributable to shareholders before Extraordinary Items was Historical £64m (1984: £68m) and Current Cost £15m (1984: £30m) resulting in Earnings per Share of Historical 53.6p (1984: 57.7p) and Current Cost 12.5p (1984: 25.2p).

The Board has decided to recommend a final dividend of 12.75p per Ordinary Share making, together with the interim dividend of 5.75p already paid, a total of 18.5p for the year (1984: 16.5p), an increase of 12%.

Subject to approval at the Annual General Meeting which will be held on 23 July 1985, the final dividend will be paid on 13 August 1985 to shareholders on the register on 5 July 1985.

### ACCOUNT EXECUTIVE FINANCIAL ADVERTISING

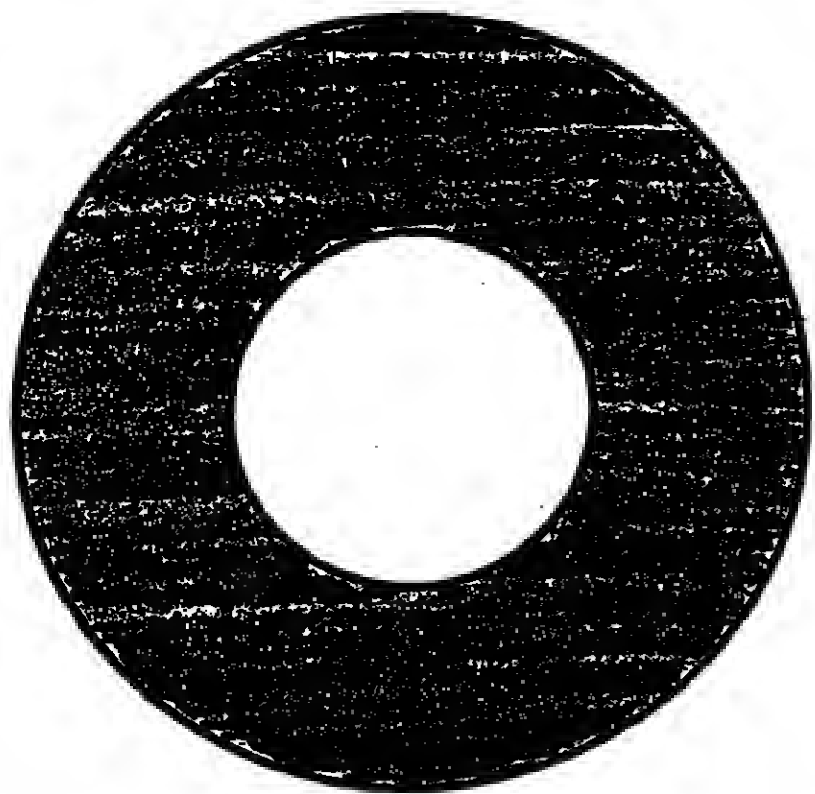
Circa £13,000 p.a.

The successful candidate will have a thorough grounding in all aspects of the advertising business. Experience of handling financial and financial product advertising and of working closely with directors of an agency and senior management in financial institutions. The successful candidate will not necessarily be from the account handling side but will certainly see an opportunity to join a small and progressive team. Full CVs please to John Goldsmith, First Financial & General Advertising Limited, 10 Friar Street, London EC4V 5DT. All in confidence. If you would prefer to talk on the phone - 01-236 9031.

### Public Works Loan Board rates

Public Works		Effective June 5		Non-quoted loans A* repaid	
		Quoted rates		at maturity	
Years	by EIP†	At maturity	by EIP†	At maturity	12%
Over 1, up to 2	11.1	11.1	12.1	12.1	12.1
Over 2, up to 3	11.1	11.1	12.1	12.1	12.1
Over 3, up to 4	11.1	11.1	12.1	12.1	12.1
Over 4, up to 5	11.1	11.1	12.1	12.1	12.1
Over 5, up to 6	11.1	11.1	12.1	12.1	12.1
Over 6, up to 7	11.1	11.1	12.1	12.1	12.1
Over 7, up to 8	11.1	11.1	12.1	12.1	12.1
Over 8, up to 9	11.1	11.1	12.1	12.1	12.1
Over 9, up to 10	11.1	11.1	12.1	12.1	12.1
Over 10, up to 15	11.1	11.1	12.1	12.1	12.1
Over 15, up to 25	11.1	11.1	12.1	12.1	12.1
Over 25, up to 35	10.1	10.1	11.1	11.1	11.1
Over 35, up to 45	10.1	10.1	11.1	11.1	11.1
Over 45, up to 55	10.1	10.1	11.1	11.1	11.1
Over 55, up to 65	10.1	10.1	11.1	11.1	11.1
Over 65, up to 75	10.1	10.1	11.1	11.1	11.1
Over 75, up to 85	10.1	10.1	11.1	11.1	11.1
Over 85, up to 95	10.1	10.1	11.1	11.1	11.1
Over 95, up to 105	10.1	10.1	11.1	11.1	11.1
Over 105, up to 115	10.1	10.1	11.1	11.1	11.1
Over 115, up to 125	10.1	10.1	11.1	11.1	11.1
Over 125, up to 135	10.1	10.1	11.1	11.1	11.1
Over 135, up to 145	10.1	10.1	11.1	11.1	11.1
Over 145, up to 155	10.1	10.1	11.1	11.1	11.1
Over 155, up to 165	10.1	10.1	11.1	11.1	11.1
Over 165, up to 175	10.1	10.1	11.1	11.1	11.1
Over 175, up to 185	10.1	10.1	11.1	11.1	11.1
Over 185, up to 195	10.1	10.1	11.1	11.1	11.1
Over 195, up to 205	10.1	10.1	11.1	11.1	11.1
Over 205, up to 215	10.1	10.1	11.1	11.1	11.1
Over 215, up to 225	10.1	10.1	11.1	11.1	11.1
Over 225, up to 235	10.1	10.1	11.1	11.1	11.1
Over 235, up to 245	10.1	10.1	11.1	11.1	11.1
Over 245, up to 255	10.1	10.1	11.1	11.1	11.1
Over 255, up to 265	10.1	10.1	11.1	11.1	11.1
Over 265, up to 275	10.1	10.1	11.1	11.1	11.1
Over 275, up to 285	10.1	10.1	11.1	11.1	11.1
Over 285, up to 295	10.1	10.1	11.1	11.1	11.1
Over 295, up to 305	10.1	10.1	11.1	11.1	11.1
Over 305, up to 315	10.1	10.1	11.1	11.1	11.1
Over 315, up to 325	10.1	10.1	11.1	11.1	11.1
Over 325, up to 335	10.1	10.1	11.1	11.1	11.1
Over 335, up to 345	10.1	10.1	11.1	11.1	11.1
Over 345, up to 355	10.1	10.1	11.1	11.1	11.1
Over 355, up to 365	10.1	10.1	11.1	11.1	11.1
Over 365, up to 375	10.1	10.1	11.1	11.1	11.1
Over 375, up to 385	10.1	10.1	11.1	11.1	11.1
Over 385, up to 395	10.1	10.1	11.1	11.1	11.1
Over 395, up to 405	10.1	10.1	11.1	11.1	11.1
Over 405, up to 415	10.1	10.1	11.1	11.1	11.1
Over 415, up to 425	10.1	10.1	11.1	11.1	11.1
Over 425, up to 435	10.1	10.1	11.1	11.1	11.1
Over 435, up to 445	10.1	10.1	11.1	11.1	11.1
Over 445, up to 455	10.1	10.1	11.1	11.1	11.1
Over 455, up to 465	10.1	10.1	11.1	11.1	11.1
Over 465, up to 475	10.1	10.1	11.1	11.1	11.1
Over 475, up to 485	10.1	10.1	11.1	11.1	11.1
Over 485, up to 495	10.1	10.1	11.1	11.1	11.1
Over 495, up to 505	10.1	10.1	11.1	11.1	11.1
Over 505, up to 515	10.1	10.1	11.1	11.1	11.1
Over 515, up to 525	10.1	10.1	11.1	11.1	11.1
Over 525, up to 535	10.1	10.1	11.1	11.1	11.1
Over 535, up to 545	10.1	10.1	11.1	11.1	11.1
Over 545, up to 555	10.1	10.1	11.1	11.1	11.1
Over 555, up to 565	10.1	10.1	11.1	11.1	11.1
Over 565, up to 575	10.1	10.1	11.1	11.1	11.1
Over 575, up to 585	10.1	10.1	11.1	11.1	11.1
Over 585, up to 595	10.1	10.1	11.1	11.1	11.1
Over 595, up to 605	10.1	10.1	11.1	11.1	11.1
Over 605, up to 615	10.1	10.1	11.1	11.1	11.1
Over 615, up to 625	10.1	10.1	11.1	11.1	11.1
Over 625, up to 635	10.1	10.1	11.1	11.1	11.1
Over 635, up to 645	10.1	10.1	11.1	11.1	11.1
Over 645, up to 655	10.1	10.1	11.1	11.1	11.1
Over 655, up to 665	10.1	10.1	11.1	11.1	11.1
Over 665, up to 675	10.1	10.1	11.1	11.1	11.1
Over 675, up to 685	10.1	10.1	11.1	11.1	11.1
Over 685, up to 695	10.1	10.1	11.1	11.1	11.1
Over 695, up to 705	10.1	10.1	11.1	11.1	11.1
Over 705, up to 715	10.1	10.1	11.1	11.1	11.1
Over 715, up to 725	10.1	10.1	11.1	11.1	11.1
Over 725, up to 735	10.1	10.1	11.1	11.1	11.1
Over 735, up to 745	10.1	10.1	11.1	11.1	11.1
Over 745, up to 755	10.1	10.1	11.1	11.1	11.1
Over 755, up to 765	10.1	10.1	11.1	11.1	11.1
Over 765, up to 775	10.1	10.1	11.1	11.1	11.1
Over 775, up to 785	10.1	10.1	11.1	11.1	11.1
Over 785, up to 795	10.1	10.1	11.1	11.1	11.1
Over 795, up to 805	10.1	10.1	11.1	11.1	11.1
Over 805, up to 815	10.1	10.1	11.1	11.1	11.1
Over 815, up to 825	10.1	10.1	11.1	11.1	11.1
Over 825, up to 835	10.1	10.1	11.1	11.1	11.1
Over 835, up to 845	10.1	10.1	11.1	11.1	11.1
Over 845, up to 855	10.1	10.1	11.1	11.1	11.1
Over 855, up to 865	10.1	10.1	11.1	11.1	11.1
Over 865, up to 875	10.1	10.1	11.1	11.1	11.1
Over 875, up to 885	10.1	10.1	11.1	11.1	11.1
Over 885, up to 895	10.1	10.1	11.1	11.1	11.1
Over 895, up to 905	10.1	10.1	11.1	11.1	11.1
Over 905, up to 915	10.1	10.1	11.1	11.1	11.1
Over 915, up to 925	10.1	10.1	11.1	11.1	11.1
Over 925, up to 935	10.1	10.1	11.1	11.1	11.1
Over 935, up to 945	10.1	10.1	11.1	11.1	11.1
Over 945, up to 955	10.1	10.1	11.1	11.1	11.1
Over 955, up to 965	10.1	10.1	11.1	11.1	11.1
Over 965, up to 975	10.1	10.1	11.1	11.1	11.1
Over 975, up to 985	10.1	10.1	11.1	11.1	11.1
Over 985, up to 995	10.1	10.1	11.1	11.1	11.1
Over 995, up to 1005	10.1	10.1	11.1	11.1	11.1
Over 1005, up to 1015	10.1	10.1	11.1	11.1	11.1
Over 1015, up to 1025	10.1	10.1	11.1	11.1	11.1
Over 1025, up to 1035	10.1	10.1	11.1	11.1	11.1
Over 1035, up to 1045	10.1	10.1	11.1	11.1	11.1
Over 1045, up to 1055	10.1	10.1	11.1	11.1	11.1
Over 1055, up to 1065	10.1	10.1	11.1	11.1	11.1
Over 1065, up to 1075	10.1	10.1	11.1	11.1	11.1
Over 1075, up to 1085	10.1	10.1	11.1	11.1	11.1
Over 1085, up to 1095	10.1	10.1	11.1	11.1	11.1
Over 1095, up to 1105	10.1	10.1	11.1	11.1	11.1
Over 1105, up to 1115	10.1	10.1	11.1	11.1	11.1
Over 1115, up to 1125	10.1	10.1	11.1	11.1	11.1
Over 1125, up to 1135	10.1	10.1	11.1	11.1	11.1
Over 1135, up to 1145	10.1	10.1	11.1	11.1	11.1
Over 1145, up to 1155	10.1	10.1	11.1	11.1	11.1
Over 1155, up to 1165	10.1	10.1	11.1	11.1	11.1
Over 1165, up to 1175	10.1	10.1	11.1	11.1	11.1
Over 1175, up to 1185	10.1	10.1	11.1	11.1	11.1
Over 1185, up to 1195	10.1	10.1	11.1	11.1	11.1
Over 1195, up to 1205	10.1	10.1	11.1	11.1	11.1
Over 1205, up to 1215	10.1	10.1	11.1	11.1	11.1
Over 1215, up to 1225	10.1	10.1	11.1	11.1	11.1
Over 1225, up to 1235	10.1	10.1	11.1	11.1	11.1
Over 1235, up to 1245	10.1	10.1	11.1	11.1	11.1
Over 1245, up to 1255	10.1	10.1	11.1	11.1	11.1
Over 1255, up to 1265	10.1	10.1	11.1	11.1	11.1
Over 1265, up to 1275	10.1	10.1	11.1	11.1	11.1
Over 1275, up to 1285	10.1	10.1	11.1	11.1	11.1
Over 1285, up to 1295	10.1	10.1	11.1	11.1	11.1
Over 1295, up to 1305	10.1	10.1	11.1	11.1	11.1
Over 1305, up to 1315	10.1	10.1	11.1	11.1	11.1
Over 1315, up to 1325	10.1	10.1	11.1	11.1	11.1
Over 1325, up to 1335	10.1	10.1	11.1	11.1	11.1
Over 1335, up to 1345	10.1	10.1	11.1	11.1	11.1
Over 1345, up to 1355	10.1	10.1	11.1	11.1	11.1
Over 1355, up to 1365	10.1	10.1	11.1	11.1	11.1
Over 1365, up to 1375	10.1	10.1	11.1	11.1	11.1
Over 1375, up to 1385	10.1	10.1	11.1	11.1	11.1
Over 1385, up to 1395	10.1	10.1	11.1	11.1	11.1
Over 1395, up to 1405	10.1	10.1	11.1	11.1	11.1
Over 1405, up to 1415	10.1	10.1	11.1	11.1	11.1
Over 1415, up to 1425	10.1	10.1	11.1	11.1	11.1
Over 1425, up to 1435	10.1	10.1	11.1	11.1	11.1
Over 1435, up to 1445	10.1	10.1	11.1	11.1	11.1
Over 1445, up to 1455	10.1	10.1	11.1	11.1	11.1
Over 1455, up to 1465	10.1	10.1	11.1	11.1	11.1
Over 1465, up to 1475	10.1	10.1	11.1	11.1	11.1
Over 1475, up to 1485	10.1	10.1	11.1	11.1	11.1
Over 1485, up to 1495	10.1	10.1	11.1	11.1	11.1
Over 1495, up to 1505	10.1	10.1	11.1	11.1	11.1
Over 1505, up to 1515	10.1	10.1	11.1	11.1	11.1
Over 1515, up to 1525	10.1	10.1	11.1	11.1	11.1
Over 1525, up to 1535	10.1	10.1	11.1	11.1	11.1
Over 1535, up to 1545	10.1				





During the past year, we have made some very important changes in the Group and I believe we are now on the threshold of gaining significant benefits.

Since I reported at this time last year there is a greater degree of optimism, despite the fact that many of the problems of previous years have not yet been resolved. There have been much improved performances from many of our companies around the world.

At home, demand for cement remained virtually static, while the miners' strike added some £6 million to our operating costs. Hardly surprisingly our UK cement profits did not match those of the previous year.

But, turning to 1985, I am pleased to say that in spite of the extremely bad weather in January and February which left us 20% behind last year's figures, deliveries have picked up and now we are only marginally behind the previous year's level.

## A report on a well rounded year.

Points from the address by the Chairman Mr. J.D. Milne to the Annual General Meeting on 4th June.

In addition, we should gain a benefit from the new Caudon and Dunbar works, due to come into production in the next few months, as well as from the 4.5% increase in cement prices from 1st June.

Abroad, our companies overseas have made an encouraging start, particularly in Australia, New Zealand and Mexico - while our established cement business in the US continues to do very well, as markets benefit from business expansion and population growth.

Referring to the US, we have just completed the acquisition of Atlantic Cement Inc. at a cost of \$145 million which will complement our existing

operations and greatly strengthen our presence in the United States.

I am confident we will achieve a level of earnings which

will fully justify this acquisition. Meanwhile, our Armitage Shanks Kilgore sanitary ware business in Texas is doing well and the new plant, now being constructed in North Carolina, is on schedule to begin production in three months time.

Much of the success that we have achieved is due to the people who work for us. It is people who make a company and Blue Circle is fortunate in having a good team.

I believe we are in good shape, and I hope that you are encouraged by the progress we have made - and will continue making.

## Blue Circle

Blue Circle Industries PLC  
For copies of the full text of the Chairman's Statement and the Company's Report and Accounts, please write to Group Public Affairs, Blue Circle Industries PLC, Fordland House, Stag Place, London SW1E 5BJ.

## UK COMPANY NEWS

### Easier trading for Sketchley in second half

TRADING CONDITIONS eased in the second half for Sketchley, the industrial workwear rental, linen hire and retail dry cleaning group. Pre-tax profits in the last six months of the year to March 29 1985 increased slightly on the same period in the previous year, but that was not enough to overcome the fall of the first-half and profits for the year finished 6.28 per cent down at £10.18m.

The figures were achieved on turnover which soared by almost 61 per cent in the second-half, to give an annual rise of 57 per cent to £158.17m.

Operating costs faltered slightly ahead of the previous year at £11.57m (£11.11m), but increased interest charges, up from £281,000 to £1.71m, left pre-tax profits lower.

With tax at £3.91m (£4.38m) and an extraordinary debit of £727,000, being the costs of closing its West German business, earnings per share were 27.1p on the increased capital following the rights issue, compared with 32.4p in 1983-84.

The chairman, Mr Richard Newton, says that the miners' strike, the restructuring of the new acquisitions and difficult trading conditions combined to affect margins.

He adds, however, that the new financial year has started well. Many of the problems in the year under review were non-recurring and with strengthened management allied to new marketing initiatives the board is confident about the prospects.

A final payment of 11p net per share has been proposed, making a total of 15.3p, up from last year's 14p.

In the UK, which accounted for a little more than 40 per cent of group turnover and almost 63 per cent of pre-tax profits, lower profits were recorded by two major divisions. Retail cleaning was affected by extremes of weather last summer and in January and February.

The rental business achieved a substantial increase in volume to smaller customers but this was not enough to offset the increasing pressure on margins in the mainstream business.

Mr Newton reports that in the US - which accounted for 52.25 per cent of turnover and 43.54 per cent of pre-tax profits, profits from the uniform and linen rental businesses were lower as a result of reorganisation. There was, however, a substantial and satisfactory contribution from the diaper rental business acquired at the end of last year.

In Canada the dry cleaning



Mr Malcolm Glens, chief executive of Sketchley

company had a good first half but the second six months were adversely affected by the short-term expense resulting from the change of name and updating of operating systems.

The small investment in West Germany proved unsuccessful and this was said.

#### Comment

Sketchley clearly signalled poor results when it announced a major restructuring in late March. As such the bad news has been discounted leaving just a bit of room for the 7p rise to 35p. The main drag on profits has been servicing group debt - especially the \$11m or so legacy from the two US acquisitions and the £34m borrowings for the Canadian unit. Gearing overall is about a third of shareholders' funds although interest and exchange rate changes make this a slightly variable feast. Given nothing exceptional on the rate front the repayments bump should now have been passed and so the charges should fall this year. In the UK the miners' strike hurt the rental side as did low margins generally but in dry cleaning the group is holding its share of the market at just over a fifth. The combination of more inventive marketing schemes in the UK (dry cleaners in the supermarket and the garage and vouchers) plus getting profits out of North America commensurate with the turnover figures should provide the basis for a better current year. What the market is looking for is £124m pre-tax, which on a 40 per cent tax charge gives the shares trading on a prospective multiple of almost 11.

## MINING NEWS

### Second S. African gold mine prospect being investigated

BY KENNETH MARSTON, MINING EDITOR

FOLLOWING Consolidated Gold Fields' announcement this week of a major extension of its Kloof mine into the neighbouring Leerdam area in South Africa's West Rand, another possible gold mine is taking shape in the Orange Free State.

The area being explored is on the Leebout, Leerdamfontein farm in the Thabamisa district adjacent to the eastern boundary of the Genoor group's Beatrix gold mine. The prospect shafts are to be sunk.

Interests in the area are held by Johannesburg Consolidated Investment (45 per cent), Randfontein Estates (45 per cent) and the Anglo American Corporation group (10 per cent).

The move follows intensive drilling, which has continued to

give encouraging results. The fact that the partners have decided to sink prospect shafts suggests that they are confident that the area has the making of a gold mine.

It could be a year or two, however, before they are prepared to decide whether to go ahead with a new gold mine. This will depend largely on the level of the U.S. gold price and the relationship between the South African rand and the U.S. dollar.

Details of likely gold grades and ore tonnages have yet to be announced, but the indications are that the deposit lies at a relatively shallow depth. This suggests that a mine would not require an unduly high capital cost and could be brought to production fairly quickly.

## MINING NEWS IN BRIEF

The terms of a new three-year wage agreement negotiated between the United Steelworkers of America and Canada's nickel-producing lines have been accepted by a large majority of the company's employees at Sudbury and Port Colborne, Ontario.

Workers at the Hercules, Missouri, lead smelter of Fluor Corporation's St Joe Lead unit have overwhelmingly rejected a company contract proposal which called for wage cuts and have returned to work pending further talks.

Australia's Pancontinental Mining has exercised its option to acquire a further 2 per cent stake, making 5 per cent in the Central Queensland Coal Associates and the Gregory joint ventures for U.S.\$50m (£39m).

Pancontinental will borrow U.S.\$50m and pay the balance from its U.S. dollar funds and other sources.

Mr Baharuddin bin Mahand, chairman of the Malaysian Tin Export Council, expects tin export controls imposed by the International Tin Council to be in force for at least a few more years. The Council's stocks of tin concentrates have reached the maximum permitted level and lower profits are expected this year.

## BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

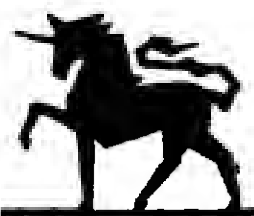
**TODAY**  
Interim: Blue Arrow, Canvaform, Grovital, Proprietary Mines, Irish Quinlan, Metallgesellschaft, Mining, Nottingham Brick, St Helena Gold Mines, Sullivan's Gold Mining, United Steel, Westfield Consolidated Mines.  
Final: Amber Industrial, Brownlie, Buffalofontein Gold Mining, Century

Oils, Walcott, Mothercare, LCP, C. and W. Walker.

#### FUTURE DATES

Interim: Associated Energy Services ... June 14  
Camford Engineering ... June 13  
Foster (J. H.) ... June 18  
Microgen ... June 17  
Rendell ... Aug 20  
Sedlow ... June 13  
Final: BPS Industries ... June 26  
Baker Perkins ... June 21  
Bassett Foods ... June 12  
Chamberlain Plugs ... June 17  
Hain ... June 25  
Hazelwood Foods ... June 10  
Oxford Instruments ... June 19

## The Wellcome Foundation Limited Interim Results - 1985



Wellcome

Review by the Chairman, Mr. A. J. Shepperd

Wholly-owned by The Wellcome Trust, The Wellcome Foundation Limited is an international group of pharmaceutical and chemical companies with its headquarters in the UK.

The Wellcome Trust intends to offer 20% of its shareholding for public sale in early 1986, while retaining a strong controlling interest in the company. The arrangement is subject to the

The profit increase is primarily due to improved trading in the USA and also in the UK together with favourable exchange movements during the half year. In the USA sales have been buoyant resulting in improved profitability. Results in the UK reflect the full benefits of rationalisation measures made in earlier years.

	1st half 1985 £m Unaudited	1st half 1984 £m Unaudited	Full year 1984 £m
Turnover	507.3	378.3	806.4
R and D expenditure	59.0	44.8	96.6
Profit before taxation	70.5	42.7	89.5
Taxation	32.2	19.5	40.9
Profit after taxation	38.3	23.2	48.6
Capital expenditure	26.5	27.0	57.7
Shareholders' funds	489.5	386.6	420.0

approval of the Charity Commissioners. In the six months ended 23 February 1985, group turnover amounted to £507.3m. This is £129.0m greater than the corresponding period last year and is an increase of 34% of which 20% is due to trading and 14% to currency movements.

Profit before tax amounted to £70.5m, an increase of £27.8m representing 65%.

The launch of acyclovir, a major breakthrough in antiviral therapy, continues. A significant step was the launch in the USA market in February of the capsule formulation of this product. Capital expenditure for the half year amounted to £26.5m.

The Wellcome Building, 183 Euston Road, London NW1 2BP. Tel: 01-387 4477.

## PPP PAID £95 MILLION TO CLAIMANTS IN 1984

Service to subscribers our top priority

The demand for our caring service, from the million people we cover increases daily. Of the total value of the claims submitted in 1984 we paid out 97% in benefits to our subscribers - nearly £95 million paid to PPP patients in the United Kingdom.

PPP's aim is prompt settlement of claims

The average length of time taken to settle claims is a straightforward nature is between 2 and 3 days. Claims which may be more complicated and require any additional information may take longer to settle.

Keeping the subscriptions within the reach of subscribers

We are keen to avoid increasing subscriptions because sizeable increases can take private medical insurance out of the reach of some people. We therefore aim to give an option of varied insurance cover and a range of subscription rates. The Corporate Health Plan successfully introduced in 1984 meant the start of negotiations forging improved and new links with hospital providers and this liaison will continue, as we progress towards stronger control over the costs of hospital accommodation and treatment.



### PPP Could Benefit You

For a copy of the 1984 Report and Accounts and full details of the benefits we offer please telephone or write to our Press Office: -  
PPP Press Office  
Tavistock House South  
Tavistock Square  
London WC1H 9LJ  
Tel: 01-380 0967

Financial Highlights of the PPP Group

	1984 £'000	1983 £'000
Subscription Income	109,580	91,689
Benefits	94,565	79,637
Surplus	5,440	3,108
Funds Under Control	107,246	89,552
Reserves	48,826	37,386
Reserves at Market Value	59,129	51,032











SECTION III - INTERNATIONAL MARKETS  
**FINANCIAL TIMES**

Thursday June 6 1985

## WALL STREET

**Record hit  
on tax plan  
optimism**

INVESTORS took an increasingly optimistic view of President Reagan's tax plans during trading on Wall Street yesterday to send the market to a record level, writes Terry Byland in New York.

Reports of lower North Sea oil prices, which strengthened the view that inflation will remain low in the U.S. as the economy recovers coupled with higher bond prices, also buoyed the market's mood.

Dr Henry Kaufman, senior economist at Salomon Brothers, said that if economic figures expected soon are weak, the discount rate may be cut again.

The Dow Jones industrial average closed up 5.26 at 1,320.56.

The bond market opened with further gains of three quarters of a point, which brought yields at the long end down to around 10 1/4 per cent. Traders identified Japanese securities houses as among the customers for U.S. Federal securities. Prices moved erratically later as bouts of profit-taking by traders were absorbed, but remained near their peaks.

The stock market opened around 6 higher on the index at a record, with the reporting tape running seven minutes late as buying orders from private investors flooded brokerage offices.

Turnover was nearly 50 per cent up on the previous session, and the market remained very strong, although some prices were trimmed at mid-session.

The best features were among the heavy industrial stocks which benefit from lower interest rates. Minnesota Mining gained 5 1/4 to \$77, and Litton Industries at \$86 1/4 was 5 1/4 better.

Short-term rates steadied after plunging sharply in early trading. Falls of around 30 basis points in Treasury-bill rates and 60 basis points in bond yields since Memorial Day have strengthened the attractions of equities.

Analysts point out that the Reagan tax bill would strengthen the appeal of the stock market for private investors, who would also have their taxes reduced.

Mr Peter Caneio, of Bear Stearns, said that, "the first sign that we are not heading for a recession will send the stock market shooting ahead."

Wall Street gave a favourable reception to General Motors' \$5bn purchase of Hughes Aircraft. At \$72 1/2, GM stock gained 3/4. Ford, now clear of involvement, added 3/4 to \$44 1/4 in heavy trading.

Aerospace issues responded strongly to lower interest rates, with Boeing gaining 1 1/4 to \$88 1/4 and General Dynamics 3/4 to \$74 1/4.

In chemicals, Monsanto jumped 3/4 to \$47 1/4 and Union Carbide, at \$41 1/4, was 3/4 better.

The reported North Sea oil cuts depressed oil stocks again, with Exxon 5/4 off at \$52 1/4. But airlines continued to do well. Pan American remained steady at a near peak for the year of \$8 1/4.

Some high-technology stocks were left out of the party as Wang Laboratories slumped by 1 1/4 to \$15 1/4, in heavy selling after the board predicted a loss for the final quarter.

The mainframe computers, too, were mixed, with IBM 3/4 down at \$129 as heavy turnover evidently included selling by institutions which have backed off since the computer leader warned on second-quarter profits.

Digital Equipment plunged by 1 1/4 to \$102 1/4. But Burroughs added 3/4 to \$63 1/4 and NCR, at \$29 1/4, gained 3/4.

Among speculative issues, Warner Communications jumped 1 1/4 to \$28 1/4 as plans for a leveraged buyout collapsed. Diamond Shamrock fell 1 1/4 to \$15 1/4 after bearish comments in the investment press.

Du Pont dipped 1/4 to \$50 after a downgrading by a Merrill Lynch analyst. There was brisk turnover in RCA after hints - unsupported by the board - that a buyer might have been found for the Hertz Car Rental subsidiary.

After its commercial paper was downgraded by Standard & Poor's, the credit rating agency, BankAmerica suffered another session of heavy selling, including a 225,000 share block at \$19 1/4. The stock later traded at \$19 1/4, down 5/4.

In the credit market, federal funds traded at 7 1/4 per cent, and the Fed helped liquidity by purchasing bills. Falls in rates increased sharply from one-year maturities onwards, with the longer end holding at opening levels.

## EUROPE

**A struggle  
to regain  
equilibrium**

AN ERRATIC course was traced during trading in Frankfurt yesterday as the market struggled to regain an equilibrium after the recent intervention by profit-takers.

Sellers took control at the opening, but a measure of confidence in the market's underlying strength was provided by the emergence of buying at mid-session before a drift lower near the close.

As the technical reaction to the 11 days of consecutive records continued, the Commerzbank index eased 8 1/4 to 1,335.8, taking its loss during the past two days to 13.2.

Foreign investors again made their presence felt, although their buying orders were smaller and tended to be more narrowly directed towards stocks which failed to encounter the full force of last week's support.

Volkswagen was one such stock. Buying orders from domestic and foreign sources pushed the issue DM 7.10 higher to a peak for the day of DM 287.

This performance was the highlight of an otherwise mixed automotive section. Daimler was a casualty of early profit-taking and slipped DM 1 before a recovery forced it to close up DM 1 at DM 814. BMW eased DM 1 to DM 379, while Porsche gained a further DM 15 to 1,255 after touching DM 1,283 at mid-session.

A pattern failed to develop among banks, which were at the centre of the recent surge. Deutsche Bank closed at DM 541 after a DM 3 rise, while Commerzbank shed DM 1 to DM 208 and Dresdner eased DM 1.50 to DM 232.

Among engineering firms, Linde was again on the rise, firming DM 8.00 to DM 487 followed by KHD, up DM 2 to DM 258, while GHH dropped 50 pf to DM 148.50.

Stores were again in demand. Karstadt rose another DM 2.50 to DM 224.50, Herten DM 9 to DM 183 and Kaufhof DM 6.50 to DM 231.

Profit-taking also surfaced in the bond market with prices easing an average 15 to 20 pf as relatively large amounts were put up for sale. The Bundesbank bought DM 23.3m worth of domestic paper after selling DM 84.9m on Tuesday.

The Amsterdam market moved to a record, as the General index added 1.2 to 213.7. The previous record of 213.0 was set on May 6 this year.

Reflecting a broad sweep of support, indices covering banking, insurance and industrial stocks also reached new highs. Wall Street's overnight strength and optimism over easier interest rates led the market higher.

Banks and financials were keenly sought. ABN jumped FI 8.50 to FI 543.00, while NMB turned its unchanged opening into a gain of FI 2 and finished at FI 194.00.

Among market leaders, Royal Dutch firmed FI 1.80 to FI 197.40, Unilever FI 1 to FI 348.50 and Akzo FI 1.20 to FI 110.10.

Insurer, Amey closed at a peak of FI 249.0, up FI 1 after being FI 1.50 higher at the start of business.

Dutch Government bond prices were mixed as investors switched attention to the state's new 10-year 7 1/2 per cent issue.

Paris shares were mixed as news of the deterioration in France's current account balance of payments during the first quarter hit investor confidence.

News that the Government has provided Peugeot with a FF 2bn subsidised loan to help it pay for the company's shares to FF 366 while Michelin firmed FF 13 to FF 1,083.

Turnover remained high in Zurich as

shares moved ahead, encouraged by Wall Street's overnight performance.

The banking sector, which has been neglected during the recent advance, came in for support with several issues reaching records for the year. Bank Leu added SwFr 25 to SwFr 3,825 while Credit Suisse added SwFr 20 to SwFr 2,623.

Blue chips were generally higher, although second-line stocks came back from their recent highs.

Brussels stock advanced in brisk trading with most activity concentrated in the utility sector, although chemicals were again firm.

Sohay firmed BFr 80 to BFr 4,555, UBC BFr 30 to BFr 5,510 and Tessenard to BFr 5 to BFr 3,145.

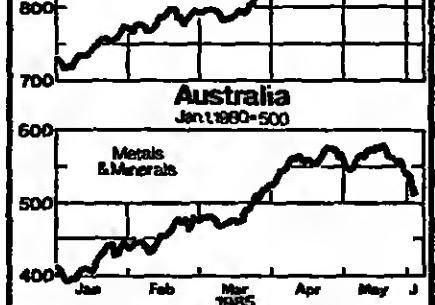
Dull trading persisted in Stockholm as most stocks headed slowly lower. The absence of a firm indication that interest rates may ease again deterred investors from entering the market.

By the close of trading, falls outnumbered advances by three to one after a marginal rise in turnover.

Electrolux dropped SKr 4 to SKr 267, while Volvo dropped SKr 2 to SKr 218.

Milan prices ended broadly higher as active demand prevailed throughout the session. Dealers noted international buying interest which was sufficient to boost the market's general tone and end a string of declines.

A slow decline developed in Madrid with banks at the centre of weak selling pressure.



## AUSTRALIA

INVESTOR uncertainty in Sydney following the release on Tuesday of the federal Government's tax proposals caused prices to fall heavily for the second consecutive session.

The All-Ordinaries share index fell as low as 852.5 before firming in late trading to finish 7.1 down at 854.2.

The Government's proposal to tax gold mines led to a withdrawal of foreign investors from that sector. Both Kidston and Central Norseman lost 30 cents to A\$3.80 and A\$7.80 respectively.

Castlemaine Toobey, the brewer, was heavily traded with 2.6m shares changing hands. Shares rose 80 cents to A\$8.10 after rumours that the Bond Corporation, which owns Swan Brewery in Western Australia, had placed an order for 10 per cent of Castlemaine's stock.

BHP and Shell Australia announced that they held 75 per cent of the share capital in Woodside Petroleum, which has secured financing for its North-west Shelf oil exploration project. BHP ended 8 cents lower at A\$8.10 and Woodside was off 4 cents at A\$1.56.

In banks, National Australia slipped 4 cents to A\$4.34.

CANADA

DESPITE a continued weakness in energy issues, stocks in Toronto rallied in heavy trading.

Banks sustained their recent strengths with Bank of Montreal ahead C\$4 to C\$50 1/4 and Toronto Dominion rising C\$4 to C\$23 1/4.

Mining issues were active. Dome Mines moved C\$4 lower to C\$10 1/4. Placer Development was off C\$4 at C\$23 1/4 and Lac Minerals eased C\$4 to C\$23.

In Montreal, industrials, utilities and banks showed gains.

## TOKYO

**Volume rise  
accompanies  
sharp gains**

INVESTORS suddenly turned bullish in Tokyo yesterday, encouraged by Tuesday's rally and expectations of an interest rate cut in the U.S., writes Shigeo Nishitaki of Jiji Press.

Share prices advanced across the board, except some biotechnologies and housing-related stocks.

The Nikkei-Dow 225-issue market indicator jumped 109.90 to 12,693.21, regaining the rest of the ground lost on Monday. Volume expanded to 708.39m shares from 458m. Gains outnumbered losses 558 to 280, with 137 issues unchanged.

A leading broker said investors bought at a hectic pace and almost indiscriminately.

Asahi Chemical, one of the companies conducting clinical tests on the tumour necrosis factor (TNF), drew massive buy orders and topped the active issue list with 24.68m shares changing hands. It gained Y50 to a high of Y1,130 in the morning but later fluctuated to close at Y1,090, up Y10.

Expectations of an easing in the Government's transportation administration led investors to buy Nippon Yusen, which finished Y14 higher at Y296 on the day's second heaviest trading of 17.19m shares. All Nippon Airways added Y14 to Y583.

Mitsubishi Heavy Industries rose Y3 to Y293 despite decreased buying. Tokyo Gas also gained Y3 to Y229 and Sumitomo Chemical, Y9 to Y283.

Buying of non-life insurances continued, with Tokio Marine and Fire gaining Y9 to Y855, Sumitomo Marine and Fire Y16 to Y725 and Yasuda Marine and Fire Y15 to Y565. Tokio Marine and Fire ranked fifth on the list with 11.84 shares.

Following news that it will set up a car parts joint venture in Japan with General Motors, NHK Spring shot up Y71 to Y485. It was the seventh busiest stock.

Asset-heavy stocks remained popular and Keisei Electric Railway closed Y17 up at Y372. Tokyo Hotel Chain spurted Y55 to Y705, while Korakuen and Tokyo Tokai jumped Y43 to Y619 and Y21 to Y294, respectively. Among construction, Obayashi Corp was Y16 up at Y303.

Trading further increased on the bond market, and the yield on the 7.3 per cent government bonds due in December 1993 dropped from 6.480 per cent to an all-time low of 6.455 per cent. Various financial institutions opted for continuous buying and selling to reap fast profits.

HONG KONG

SELLING PRESSURE which began late Tuesday afternoon in Hong Kong continued throughout the day to leave prices mostly weaker.

Institutions remained on the sidelines and small investors were left to create the little activity seen in the market.

Last-minute buying from overseas took Jardine Matheson 30 cents higher to HK\$24. Rumors that Jardines would announce development projects tomorrow kept sentiment bullish.

Elsewhere, Hutchison Whampoa lost 40 cents to HK\$25, Hongkong Wharf shed 15 cents to HK\$36.60 and China Light ended 20 cents easier at HK\$15.90.

PARIS

Doors open to bourse deregulation

THE PARIS bourse, which is at the centre of efforts to increase innovation in French financial markets, is to introduce a morning trading session by the end of the year to help meet demand from investors for more sophisticated trading conditions, writes David Marsh in Paris.

The move, which will apply to the about 30 of the most active stocks on the market was announced yesterday by M Xavier Dupont, head of the stockbrokers' association. It is part of a range of measures designed to keep Paris in line with the tide of deregulatory changes affecting the world's stock markets. They are also aimed at keeping France's poorly-capitalised and partly protected stockbroking community from sinking under the weight of increased international competition.

M Dupont said that French stockbrokers, who have a monopoly over bourse trading which dates from 1807, need to "keep their identity" in the face of "an accelerated phase of reforms on many fronts."

He had misgivings over measures, decided in March by M Pierre Barégovoy,

the Finance Minister, to increase sizeably the discounts brokers have to pay banks on securities commissions.

The new rules, which come into effect from July 1, raise the limit on discounts from 27.5 per cent to 40 per cent for deals worth more than FF 2m (\$215,053) in equities and FF 10m in bonds. Banks and brokers will be free to negotiate discounts freely.

M Dupont said the new measures could cut stockbrokers' income from negotiated securities deals carried out through banks by 20 to 25 per cent. This accounts for about 70 per cent of stockbrokers' total receipts. He said the move would hit particularly the firms which have specialised in building links with institutional investors in bond trading, where large block deals are often negotiated.

M Dupont also called for prudence in setting up new intermediary trading companies with jobbing functions. Although he said the stockbrokers' basic monopoly is not under threat, banks have made clear their interest in participating in the new companies to increase their share of securities business.

The threat to the stockbrokers' position comes at a time when the firms have been making steeply increased profits out of the higher turnover and share prices of the past three years. The Paris bourse has risen almost 30 per cent this year after rises of 16.5 per cent last year and 55 per cent in 1983.

M Dupont warned that foreign securities firms, which have been eyeing Paris with growing interest during the past two years, could use the opportunity to

set up market-making jobbing companies to "capture" part of the French market.

The new trading session would run from 10am to 11.30am, supplementing regular hours of 12.30pm to 2.30pm, M Dupont said.

Among other innovations which increase the dynamism of the French market but also increase the vulnerability of brokers to competition both from foreign firms and the French banks, is the introduction this autumn of a futures market in bonds. Short-term financial instruments are to be added to this market in 1986.

Further, in the second half of next year, experiments will start up for key stocks using the continuous Computer Assisted Trading System (CATS) of the Toronto stock exchange.

Trading in share options, also announced by M Barégovoy, will start in the second half of 1986, M Dupont said.

PARIS

Doors open to bourse deregulation

THE PARIS bourse, which is at the centre of efforts to increase innovation in French financial markets, is to introduce a morning trading session by the end of the year to help meet demand from investors for more sophisticated trading conditions, writes David Marsh in Paris.

The move, which will apply to the about 30 of the most active stocks on the market was announced yesterday by M Xavier Dupont, head of the stockbrokers' association. It is part of a range of measures designed to keep Paris in line with the tide of deregulatory changes affecting the world's stock markets. They are also aimed at keeping France's poorly-capitalised and partly protected stockbroking community from sinking under the weight of increased international competition.

M Dupont said that French stockbrokers, who have a monopoly over bourse trading which dates from 1807, need to "keep their identity" in the face of "an accelerated phase of reforms on many fronts."

He had misgivings over measures, decided in March by M Pierre Barégovoy,

the Finance Minister, to increase sizeably the discounts brokers have to pay banks on securities commissions.

The new rules, which come into effect from July 1, raise the limit on discounts from 27.5 per cent to 40 per cent for deals worth more than FF 2m (\$215,053) in equities and FF 10m in bonds. Banks and brokers will be free to negotiate discounts freely.

M Dupont said the new measures could cut stockbrokers' income from negotiated securities deals carried out through banks by 20 to 25 per cent. This accounts for about 70 per cent of stockbrokers' total receipts. He said the move would hit particularly the firms which have specialised in building links with institutional investors in bond trading, where large block deals are often negotiated.

M Dupont also called for prudence in setting up new intermediary trading companies with jobbing functions. Although he said the stockbrokers' basic monopoly is not under threat, banks have made clear their interest in participating in the new companies to increase their share of securities business.

The threat to the stockbrokers' position comes at a time when the firms have been making steeply increased profits out of the higher turnover and share prices of the past three years. The Paris bourse has risen almost 30 per cent this year after rises of 16.5 per cent last year and 55 per cent in 1983.

M Dupont warned that foreign securities firms, which have been eyeing Paris with growing interest during the past two years, could use the opportunity to

set up market-making jobbing companies to "capture" part of the French market.

The new trading session would run from 10am to 11.30am, supplementing regular hours of 12.30pm to 2.30pm, M Dupont said.

Among other innovations which increase the dynamism of the French market but also increase the vulnerability of brokers to competition both from foreign firms and the French banks, is the introduction this autumn of a futures market in bonds. Short-term financial instruments are to be added to this market in 1986.

Further, in the second half of next year, experiments will start up for key stocks using the continuous Computer Assisted Trading System (CATS) of the Toronto stock exchange.

Trading in share options, also announced by M Barégovoy, will start in the second half of 1986, M Dupont said.

PARIS

Doors open to bourse deregulation

THE PARIS bourse, which is at the centre of efforts to increase innovation in French financial markets, is to introduce a morning trading session by the end of the year to help meet demand from investors for more sophisticated trading conditions, writes David Marsh in Paris.

The move, which will apply to the about 30 of the most active stocks on the market was announced yesterday by M Xavier Dupont, head of the stockbrokers' association. It is part of a range of measures designed to keep Paris in line with the tide of deregulatory changes affecting the world's stock markets. They are also aimed at keeping France's poorly-capitalised and partly protected stockbroking community from sinking under the weight of increased international competition.

M Dupont said that French stockbrokers, who have a monopoly over bourse trading which dates from 1807, need to "keep their identity" in the face of "an accelerated phase of reforms on many fronts."

He had misgivings over measures, decided in March by M Pierre Barégovoy,

the Finance Minister, to increase sizeably the discounts brokers have to pay banks on securities commissions.

The new rules, which come into effect from July 1, raise the limit on discounts from 27.5 per cent to 40 per cent for deals worth more than FF 2m (\$215,053) in equities and FF 10m in bonds. Banks and brokers will be free to negotiate discounts freely.

M Dupont said the new measures could cut stockbrokers' income from negotiated securities deals carried out through banks by 20 to 25 per cent. This accounts for about 70 per cent of stockbrokers' total receipts. He said the move would hit particularly the firms which have specialised in building links with institutional investors in bond trading, where large block deals are often negotiated.

M Dupont also called for prudence in setting up new intermediary trading companies with jobbing functions. Although he said the stockbrokers' basic monopoly is not under threat, banks have made clear their interest in participating in the new companies to increase their share of securities business.

The threat to the stockbrokers' position comes at a time when the firms have been making steeply increased profits out of the higher turnover and share prices of the past three years. The Paris bourse has risen almost 30 per cent this year after rises of 16.5 per cent last year and 55 per cent in 1983.

M Dupont warned that foreign securities firms, which have been eyeing Paris with growing interest during the past two years, could use the opportunity to

set up market-making jobbing companies to "capture" part of the French market.

The new trading session would run from 10am to 11.30am, supplementing regular hours of 12.30pm to 2.30pm, M Dupont said.

Among other innovations which increase the dynamism of the French market but also increase the vulnerability of brokers to competition both from foreign firms and the French banks, is the introduction this autumn of a futures market in bonds. Short-term financial instruments are to be added to this market in 1986.

Further, in the second half of next year, experiments will start up for key stocks using the continuous Computer Assisted Trading System (CATS) of the Toronto stock exchange.

Trading in share options, also announced by M Barégovoy, will start in the second half of 1986, M Dupont said.

PARIS

Doors open to bourse deregulation

THE PARIS bourse, which is at the centre of efforts to increase innovation in French financial markets, is to introduce a morning trading session by the end of the year to help meet demand from investors for more sophisticated trading conditions, writes David Marsh in Paris.

The move, which will apply to the about 30 of the most active stocks on the market was announced yesterday by M Xavier Dupont, head of the stockbrokers' association. It is part of a range of measures designed to keep Paris in line with the tide of deregulatory changes affecting the world's stock markets. They are also aimed at keeping France's poorly-capitalised and partly protected stockbroking community from sinking under the weight of increased international competition.

M Dupont said that French stockbrokers, who have a monopoly over bourse trading which dates from 1807, need to "keep their identity" in the face of "an accelerated phase of reforms on many fronts."

He had misgivings over measures, decided in March by M Pierre Barégovoy,

the Finance Minister, to increase sizeably the discounts brokers have to pay banks on securities commissions.

The new rules, which come into effect from July 1, raise the limit on discounts from 27.5 per cent to 40 per cent for deals worth more than FF 2m (\$215,053) in equities and FF 10m in bonds. Banks and brokers will be free to negotiate discounts freely.

M Dupont said the new measures could cut stockbrokers' income from negotiated securities deals carried out through banks by 20 to 25 per cent. This accounts for about 70 per cent of stockbrokers' total receipts. He said the move would hit particularly the firms which have specialised in building links with institutional investors in bond trading, where large block deals are often negotiated.

M Dupont also called for prudence in setting up new intermediary trading companies with jobbing functions. Although he said the stockbrokers' basic monopoly is not under threat, banks have made clear their interest in participating in the new companies to increase their share of securities business.

The threat to the stockbrokers' position comes at a time when the firms have been making steeply increased profits out of the higher turnover and share prices of the past three years. The Paris bourse has risen almost 30 per cent this year after rises of 16.5 per cent last year and 55 per cent in 1983.

M Dupont warned that foreign securities firms, which have been eyeing Paris with growing interest during the past two years, could use the opportunity to

set up market-making jobbing companies to "capture" part of the French market.

The new trading session would run from 10am to 11.30am, supplementing regular hours of 12.30pm to 2.30pm, M Dupont said.

Among other innovations which increase the dynamism of the French market but also increase the vulnerability of brokers to competition both from foreign firms and the French banks, is the introduction this autumn of a futures market in bonds. Short-term financial instruments are to be added to this market in 1986.

Further, in the second half of next year, experiments will start up for key stocks using the continuous Computer Assisted Trading System (CATS) of the Toronto stock exchange.

Trading in share options, also announced by M Barégovoy, will start in the second half of 1986, M Dupont said.

PARIS

Doors open to bourse deregulation

THE PARIS bourse, which is at the centre of efforts to increase innovation in French financial markets, is to introduce a morning trading session by the end of the year to help meet demand from investors for more sophisticated trading conditions, writes David Marsh in Paris.

The move, which will apply to the about 30 of the most active stocks on the market was announced yesterday by M Xavier Dupont, head of the stockbrokers' association. It is part of a range of measures designed to keep Paris in line with the tide of deregulatory changes affecting the world's stock markets. They are also aimed at keeping France's poorly-capitalised and partly protected stockbroking community from sinking under the weight of increased international competition.

</



[illegible]

**Continued on Page 3**



## 37

**Continued on Page 38**

Such a figure is unnotified. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend announcement is made, the high and low are calculated on the basis of the adjusted share price. Dividends are shown for the new stock only. Unless otherwise noted, rates of dividends are annual distributions based on the latest dividend.

**STAYING IN LYON?**  
Complimentary copies of the Financial Times  
are now available to guests staying at the  
following hotels:  
**CARLTON HOTEL LYON · HOTEL DES ARTISTES LYON  
FRANTEL LYON · GRAND HOTEL CONCORDE LYON  
ROYAL HOTEL LYON · HOTEL SOFITEL LYON  
SOFITEL PARIS · HOTEL LE ROOSEVELT**



MARKET  
Eas

FT-1

Do you know how much it would cost you to set up a news gathering operation like the Financial Times? Eight figures? More? But did you know that you can use a selection of FT material for your own publication at rates you can afford — and you make the selection yourself. To find out how to go about it, contact our syndication editor, Dennis Kiley at Bracken House 10 Cannon Street EC4P 4BY Telex: 885033

**FINANCIAL TIMES**  
EUROPE'S BUSINESS NEWSPAPER











[illegible]

**"Recent Issues" and "Rights" Page 40**  
This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.



## WORLD STOCK MARKETS

## UK ECONOMIC INDICATORS

**ECONOMIC ACTIVITY**—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Ind. prod.	Mfg. output	Eng. orders	Retail sales vol.	Retail sales value	Unem. employed	Vacs.
1984							
1st qtr.	104.0	99.0	103	107.7	122.7	2,998	147.0
2nd qtr.	102.0	99.9	107	110.2	130.1	3,025	154.0
3rd qtr.	102.4	101.4	107	111.1	133.3	3,078	158.1
4th qtr.	103.3	101.0	105	113.6	140.0	3,103	166.5
October	102.9	100.3	107	112.0	139.5	3,100	170.5
November	103.2	101.0	104	112.7	149.6	3,102	167.6
December	103.7	101.6	104	115.6	154.9	3,106	161.5

	Ind. prod.	Mfg. output	Eng. orders	Retail sales vol.	Retail sales value	Unem. employed	Vacs.
1985							
1st qtr.	105.5	101.8	112.6	123.9	157.5	3,138	157.5
2nd qtr.	104.6	100.3	101	111.6	124.4	3,124	157.2
3rd qtr.	105.0	101.8	107	112.0	130.2	3,144	156.1
4th qtr.	107.0	103.2	113.8	136.5	167.7	3,176	166.7
May	103.7	101.6	104	115.6	154.9	3,106	161.5

**OUTPUT**—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mfg.	Textile mfg.	Hous. starts
1984							
1st qtr.	100.1	93.9	110.5	96.2	112.5	95.9	16.2
2nd qtr.	101.4	95.7	105.3	97.9	106.0	97.2	18.0
3rd qtr.	101.9	98.2	104.5	100.9	108.2	97.8	16.2
4th qtr.	102.0	97.5	106.5	99.2	107.0	98.2	13.3
October	102.0	97.0	106.0	99.0	106.0	99.0	16.5
November	102.0	97.0	106.0	99.0	106.0	99.0	13.9
December	102.0	97.0	106.0	99.0	106.0	99.0	9.5

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mfg.	Textile mfg.	Hous. starts
1985							
1st qtr.	103.4	97.9	110.1	99.7	108.3	99.3	13.3
2nd qtr.	103.0	96.0	110.0	98.0	102.0	98.0	11.7
3rd qtr.	103.0	99.0	108.0	100.0	109.0	99.0	13.2
4th qtr.	105.0	100.0	112.0	101.0	115.0	102.0	16.6
April	103.7	101.6	104	115.6	154.9	3,106	161.5

**EXTERNAL TRADE**—Indices of export and import volume (1980=100); visible balance, current balance (fm); oil balance (fm); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms of trade	Resv. balance
1984							
1st qtr.	106.7	112.1	-5.4	+623	+2,322	97.3	16.75
2nd qtr.	107.2	117.1	-9.9	+592	+1,543	96.9	15.51
3rd qtr.	108.0	119.8	-11.8	+621	+1,584	96.7	15.26
4th qtr.	117.5	126.1	-8.6	+641	+1,468	96.1	15.82
October	118.0	126.8	-8.8	+643	+1,475	95.9	15.50
November	119.2	126.2	-7.0	+643	+1,475	95.9	15.50
December	119.2	126.2	-7.0	+643	+1,475	95.9	15.50

**FINANCIAL**—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months growth at annual rate); building societies' net inflow, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0	M1	M3	Advances	BS inflow	BS lending	Base rate
1984							
1st qtr.	4.1	10.1	8.2	13.6	2,690	2,688	8.50
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,870	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,809	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,941	8.63
October	9.9	27.3	18.6	17.1	1,463	967	9.63
November	12.2	27.2	12.1	22.4	1,004	971	9.63
December	16.3	14.3	13.9	35.8	327.6	289.64	74.1

**INFLATION**—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings	Basic materials	Wholesale mfg.	RPI	Foodst.	Comdty.	Strig.
1984							
1st qtr.	153.6	133.6	128.0	343.9	321.7	308.67	81.7
2nd qtr.	158.9	134.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	134.1	132.2	353.9	326.8	288.99	78.0
4th qtr.	164.1	140.1	134.3	358.3	326.8	289.64	74.1
October	164.2	137.9	133.9	357.7	326.2	282.40	75.6
November	162.8	139.2	134.3	358.8	326.6	289.89	75.7
December	165.3	143.4	134.9	358.5	327.6	289.64	74.1

\* Not seasonally adjusted.

## OVER-THE-COUNTER

Continued from Page 38

Stock Sales (Hnds) High Low Last Chng

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

Cyprus 99 15 15 15 15

## NEW YORK STOCK EXCHANGE

June 5, 1985

Dow Jones Industrial Average

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12

32,477.12



# LAW AND SOCIETY

## The 'ifs' and 'buts' of human rights

By A. H. HERMANN, Legal Correspondent

THERE IS nothing simple about rights and freedoms. For this reason the European Convention on Human Rights contains numerous conditions and qualifications of the rights listed in a telegraphic style in the box.

"Because the safeguarding of human rights cannot avoid the consideration of all the 'ifs' and 'buts' and because these differ from country to country depending on their political, economic and cultural situation, it would seem to be the wise thing to comply with Article 13 of the Convention. This requires the states adhering to it to provide effective national remedies to those whose rights and freedoms are violated by the national authorities or otherwise."

The supremacy of EEC law, concerning only the economic field and applied by Community institutions and judges, in close touch with the member governments, is based on an Act of Parliament. It seems reasonable to ask why the much wider jurisdiction of the Strasbourg Commission and judges, much more distant from the signatories of the Convention, should rest only on a treaty concluded by an executive decision of the government and without the consultation of Parliament. The adoption of a Bill of Rights and of domestic judicial safeguards for them, as required by Article 13 of the Convention, would go a long way to meet this justified criticism.

If the UK made the Convention part of its domestic law and had administrative courts specialising in dealing with the citizens' complaints against decisions of central and local government departments and a constitutional court with the power to check legislation conformed to the fundamental principles that would have two advantages. First, the disputes could be resolved by judges fully familiar with the British ground. Second, it would save many a journey to Strasbourg.

The fact is that the UK, with 20 cases, of which it has so far lost 12, tops the list at the Human Rights Court in Strasbourg. The British Government has had widely different reactions in Britain. Those who tend to self-denigration conclude that the British Government does not have sufficient respect for human rights; those who tend towards self-righteousness dismiss that the Strasbourg verdicts and argue that the best of things would be to renounce the

Convention. Neither of these extremes seems to be justified. There seems to be a greater consciousness of human rights rights and a readiness to seek a remedy for their violation on the part of the British public than in many other countries. Several voluntary organisations exist to help potential plaintiffs to formulate and present their grievances, including Justice, the Joint Committee for the

then in Northern Ireland. In one of the most serious complaints brought by the Irish Government, the court concluded in 1978 that the "techniques" used by the Royal Ulster Constabulary in interrogating prisoners amounted to inhuman treatment, though not to torture. These methods had been abandoned in 1972. There was also a number of complaints concerning restrictions on prisoners' correspondence and

national, who was visiting the UK for a limited period. Though he was refused permission to remain permanently in 1980, he had lived in the UK ever since.

Mrs Cabales, born in the Philippines, had been living in the UK since 1967 and was allowed to remain there indefinitely in 1971. In 1980 she went through a ceremony of marriage in the Philippines which, however, the UK authorities considered to be invalid. Mr Cabales, a Filipino national, refused a visa to enter the UK temporarily as the fiancé of a British citizen after Mrs Cabales obtained naturalisation in 1984. After a second marriage ceremony in the UK he was granted leave to remain as a husband for 12 months. He can apply for indefinite leave.

Mrs Balkandali, born in Egypt, became a citizen of the United Kingdom and Colonies in 1978 when she married a UK citizen. She was granted leave to remain in the UK in 1981. She married Mr Balkandali, a Turkish citizen, who was then in the UK without leave. He was refused leave to stay, but remained, and in 1984 after his wife had become, as a result of new legislation, a British citizen, was granted indefinite leave to remain in the UK.

All in all, one can see that the UK of these three couples was not without some worry and anxiety, but their treatment was not inhuman. Except for three years in the case of Mrs Cabales, the families were, and are, separated.

From the beginning of 1983 the immigration rules have been changed, making husbands married to UK citizens eligible for entry into the UK. The remaining sex discrimination condemned by the court relates to the ability of husbands to bring their wives even if the husbands are not British citizens, provided they live lawfully in the UK.

The Court accepted that the aim of the rules to protect the domestic labour market was legitimate, but held that the advance of the equality of the sexes was a major goal which could be disregarded only for very weighty reasons. The difference between the impact of men and women on the domestic labour market was not sufficiently important, said the Court, to justify the difference in treatment. That is a matter of opinion, or perhaps of statistics. It is certainly not something which makes the issue entirely black or entirely white.

### HUMAN RIGHTS ACCORDING TO THE 1953 EUROPEAN CONVENTION

- Article 1: Signatories undertake to secure within their jurisdiction the following rights and freedoms:
- Article 2: Right to life;
- Article 3: No torture or inhuman or degrading treatment or punishment;
- Article 4: No slavery, forced or compulsory labour;
- Article 5: Right to liberty and security of person;
- Article 6: Right to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law whenever the determination of civil rights or criminal charges are at issue;
- Article 7: No crime without law;
- Article 8: Respect for private and family life, home and correspondence;
- Article 9: Freedom of thought, conscience and religion;
- Article 10: Freedom of expression, of receiving and imparting information;
- Article 11: Freedom of peaceful assembly and of association;
- Article 12: Right to marry;
- Article 13: There shall be effective national remedies available in those whose rights and freedoms are violated;
- Article 14: These rights and freedoms shall be secured without discrimination on any ground;
- Article 15: In time of war or other public emergency the signatories may derogate from their obligations, but not more than strictly necessary;
- Article 16: The signatories may impose restrictions on the political activity of aliens.

### Welfare of Immigrants, Mind and the National Council for Civil Liberties

Moreover, a recent report of cases brought against the UK prepared by the British Institute of Human Rights, shows that in every case where the decision of the Commission or of the Court went against it, the British Government took positive remedial action. As Mr A.B. McNulty, director of the institute, states in the introduction to the report, violations of the Convention "result mostly from inadvertence, from an unquestioning acceptance of some time-honoured law or practice, or from a bona fide disagreement on the interpretation of the Convention's provisions."

Nevertheless, some of the complaints against the UK were very serious. These mainly concerned treatment of prisoners, first in Cyprus and

availability of legal assistance and representation, and in all these cases the British Government conformed with the views of the Commission and the Court.

In contrast with these prison cases, and the complaints concerning detention in mental hospitals most of the other cases were not so clear-cut and often the struggle between right and wrong. A good example are the cases, decided on May 28, of Abdulaziz, Cabales and Balkandali, three women who complained of immigration difficulties faced by their husbands.

In all three cases the husbands had been living with their wives in the UK for some years. Mrs Abdulaziz, who claimed to be stateless, had lived in the UK since 1977. She was given leave to remain there indefinitely in 1979 and married Mr Abdulaziz, a Portuguese

## FT UNIT TRUST INFORMATION SERVICE

### AUTHORISED UNIT TRUSTS

<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p> <p>Abney Unit Trusts (a)(b) 20 Abney Road, Bournemouth, BH4 4AL. (01425 717373) (L10000)</p>	<p><b>Abney Unit Trusts (a)(b)</b> 20 Abney Road, Bournemouth, BH4 4AL. (01425 7</p>
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	--



## AUTHORISED UNIT TRUSTS & INSURANCES

**Top Trust Managers, (a) (W)(K)(C)**

222, High Managers, WCLV 16.3	01-405-9441	TSR Unit Trusts (b) (c) (y)			
Port Growth Fd.	64.9	07-1330	0254 C&I Div. Div. 10.8	+74	11.1
Acorn Fd.	102.0	+0.7	0254 C&I Div. Div. 10.8	+74	11.1
Port Inv.	97.9	+0.7	0254 C&I Div. Div. 10.8	+74	11.1
Port Inv.	97.9	+0.7	0254 C&I Div. Div. 10.8	+74	11.1
Accum. Units	158.3	+0.8	0254 C&I Div. Div. 10.8	+74	11.1

**Perpetual Unit Trust Mgrs. (a)**

48, Hart Street, Newbury, (a)	0411 576858	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Profit Unit Trusts**

222, High Managers, WCLV 16.3	01-405-9441	Target-Hart Unit Trust Mgrs. Ltd.			
Port Growth Fd.	64.9	07-1330	0254 C&I Div. Div. 10.8	+74	11.1
Acorn Fd.	102.0	+0.7	0254 C&I Div. Div. 10.8	+74	11.1
Port Inv.	97.9	+0.7	0254 C&I Div. Div. 10.8	+74	11.1
Port Inv.	97.9	+0.7	0254 C&I Div. Div. 10.8	+74	11.1
Accum. Units	158.3	+0.8	0254 C&I Div. Div. 10.8	+74	11.1

**Providence Capital Fd. Mgrs. Ltd.**

30 Underwood Road, London, W12 8JL	01-7494111	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Prudential Unit Trust Mgrs. Ltd.**

15-19, Wood End, Lifford, Essex, SS16 2DL	01-473-3777	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Quilter Management Co. Ltd.**

31-37, Gresham Street, E.C.2	01-400-4177	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Real Estate Income Services Ltd.**

145 Borough High St, London, SE1 1HT	01-428-0101	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Reflexion Unit Mgrs. Ltd.**

Reflexion House, Tisbury, Wiltshire, SN8 1JH	01972-2222	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Ridgeway Management Ltd.**

35 Farnham St, Manchester, M2 2AF	061-236-5685	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**R.M. Rothchild Asset Management**

35, Southview Lane, London, E2	01-280-9456	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Roman Unit Trust Mgrs. (a)**

1 Fidelity House, London, EC2A 3EJ	01-436-1046	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Royal Life Fd. Mgrnt. Ltd.**

New Hall Place, Liverpool, L69 3HS	051-227-4422	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Royal London Unit Trust Mgrs. Ltd.**

100, Abchurch Lane, London, EC4N 3DF	01-336-5715	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Royal Sun Alliance Unit Trust Mgrs. Ltd.**

100, Abchurch Lane, London, EC4N 3DF	01-336-5715	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**SGK Management Limited**

20 Colindale Ave, EC2R 7JS	01-600-7595	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Sate & Prosper Group**

26, Western Rd, Bedford, MK1 2LR	0475 700 303, Edinburgh EC2 4HQ	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Schroder Unit Trust Managers Ltd.**

Emeryver House, Portsmouth	0705-82733	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Scottish Equitable Fund Managers Ltd.**

31 St Andrew's Sq, Edinburgh 1	01-556-7101	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Scottish Life Investments**

19 St Andrew's Sq, Edinburgh 1	01-225-2552	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Scottish Mutual Investment Managers Ltd.**

100 St. Vincent St, Glasgow G2 5NH	01-248-1010	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Scottish Provident Inv. Mgt. Ltd.**

31 St Andrew's Sq, Edinburgh 1	01-556-7101	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Scottish Unit Managers**

20 Charlotte St, Edinburgh	01-225-4372	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Scottish Widows' Fund Management**

P.O. Box 922, Edinburgh EH6 5SH	01-655-6000	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Standard Life Investments Ltd.**

19 St Andrew's Sq, Edinburgh 1	01-225-2552	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Stewart Unit Trust Managers Ltd.**

100 St Andrew's Sq, Edinburgh 1	01-226-3771	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Sum Alliance Fund Management Ltd.**

100 St Andrew's Sq, Edinburgh 1	0403-36293	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Sum Life Trust Mgmt. Ltd.**

107 Leith Road, EC2V 4AD	01-465-0710	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Swiss Life Psn. Unit Mgmt. Co. Ltd. (a)(K)(C)**

97-101 London Rd, Serravallo	072-45051	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Tanaka Bay Unit Trust Mgrs. Ltd.**

100 St Andrew's Sq, Edinburgh 1	01-226-3771	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Temple Bar Unit Trust Mgrs. Ltd.**

100 St Andrew's Sq, Edinburgh 1	01-226-3771	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Thames Valley Unit Trust Mgrs. Ltd.**

100 St Andrew's Sq, Edinburgh 1	01-226-3771	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Thames Valley Unit Trust Mgrs. Ltd.**

100 St Andrew's Sq, Edinburgh 1	01-226-3771	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Thames Valley Unit Trust Mgrs. Ltd.**

100 St Andrew's Sq, Edinburgh 1	01-226-3771	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Thames Valley Unit Trust Mgrs. Ltd.**

100 St Andrew's Sq, Edinburgh 1	01-226-3771	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Thames Valley Unit Trust Mgrs. Ltd.**

100 St Andrew's Sq, Edinburgh 1	01-226-3771	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Thames Valley Unit Trust Mgrs. Ltd.**

100 St Andrew's Sq, Edinburgh 1	01-226-3771	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Thames Valley Unit Trust Mgrs. Ltd.**

100 St Andrew's Sq, Edinburgh 1	01-226-3771	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Thames Valley Unit Trust Mgrs. Ltd.**

100 St Andrew's Sq, Edinburgh 1	01-226-3771	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Thames Valley Unit Trust Mgrs. Ltd.**

100 St Andrew's Sq, Edinburgh 1	01-226-3771	Target-Hart Unit Trust Mgrs. Ltd.		
Accum. Units	188.8	188.8	+0.1	0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1
Worldwide Recovery	113.7	+0.1	0.1	+0.1

**Thames Valley Unit Trust Mgrs. Ltd.**

100 St Andrew's Sq, Edinburgh 1	01
---------------------------------	----

[illegible][illegible][illegible]



[illegible]

## NOTES



## COMMODITIES AND AGRICULTURE

## Wheat sale to Algeria ignites European fury

BY IVO DAWNAY IN BRUSSELS AND NANCY DUNNE IN WASHINGTON

AMERICA'S PROPOSED in-house subsidised wheat sale to Algeria, the first deal under Washington's \$2bn agricultural export initiative, provoked widely differing reactions on both sides of the Atlantic yesterday.

July wheat prices on the Chicago Board of Trade edged 3 cents higher to \$3.21 a bushel early yesterday in the wake of Tuesday's announcement by Mr John Block, the U.S. Agriculture Secretary, while European cerealists expressed their fury and the European Commission in Brussels closed its eyes to study the plan.

The hastily-arranged deal, which was forced on the Reagan administration by U.S. farm state senators following the European Community's failure to set a date for a new round of multilateral trade talks, is widely regarded as the first shot in an agricultural trade war.

Likely to be the first of many such subsidised sales to counter the fall in U.S. farm exports, it is bound to be the principal topic in discussions Mr Block will have with EEC officials during his European tour, which started yesterday.

The first reaction among U.S. traders yesterday was one of relief.

"The market had worried itself sick that huge quantities of grain would be dumped from Government stocks," said one analyst. Although operational

details of the so-called export bonus programme are still not available, the careful targeting of the first sale to Algeria has provided some reassurance to U.S. traders, he said.

Mr Block estimates that the plan, which will be finalised after a competitive tender with grain traders, will bring additional sales worth \$117m.

U.S. farm groups, meanwhile, could hardly contain their enthusiasm. Mr Dick Fritz, director of market analysis at U.S. Wheat Associates, pronounced himself "very happy" but said he was keen that the deal should be concluded swiftly.

In Brussels, the 14-member Commission met to consider the U.S. plan, initial reactions were icy. EEC legal officials are expected to examine the wheat sale for possible breaches of pricing rules, but do not consider they will be able to invoke the Gatt (General Agreement on Tariffs and Trade) articles on shares of the world market.

In the meantime, the Community is waiting to assess the final shape of the wheat sales, which is still unclear.

French cereal interests, however, were furious. M Jean Moniz, director of the French cereals intervention board, said the U.S. move constituted a practice "totally contrary" to Gatt rules.

French cereal interests, however, were furious. M Jean Moniz, director of the French cereals intervention board, said the U.S. move constituted a practice "totally contrary" to Gatt rules.

French cereal interests, however, were furious. M Jean Moniz, director of the French cereals intervention board, said the U.S. move constituted a practice "totally contrary" to Gatt rules.

French cereal interests, however, were furious. M Jean Moniz, director of the French cereals intervention board, said the U.S. move constituted a practice "totally contrary" to Gatt rules.

French cereal interests, however, were furious. M Jean Moniz, director of the French cereals intervention board, said the U.S. move constituted a practice "totally contrary" to Gatt rules.

French cereal interests, however, were furious. M Jean Moniz, director of the French cereals intervention board, said the U.S. move constituted a practice "totally contrary" to Gatt rules.

French cereal interests, however, were furious. M Jean Moniz, director of the French cereals intervention board, said the U.S. move constituted a practice "totally contrary" to Gatt rules.

French cereal interests, however, were furious. M Jean Moniz, director of the French cereals intervention board, said the U.S. move constituted a practice "totally contrary" to Gatt rules.

## U.S. stocks of distillate fuel oil up 4m barrels

By Our Commodities Staff

U.S. STOCKS of distillate fuel oil jumped by more than 4m barrels last week to 104.6m barrels, more than 4.7m barrels above the level at this time last year, according to the American Petroleum Institute (API).

Stocks of crude oil declined by 1.8m barrels to 355.6m barrels. Crude stocks now stand more than 5.2m barrels below the same week in 1984.

Residual fuel oil stocks moved up marginally during the week to 43.1m barrels, almost 5m below last year at this time. Petro stocks rose to 215m barrels but continued to lag far behind last year's levels, when the API reported 252.1m barrels.

Crude oil imports last week were about 3.6m barrels which when added to the 2.6m barrels of product imports ran well ahead of the 5.6m barrels combined total recorded in the corresponding week of 1984.

## Nicaragua tries incentives to boost coffee

By Tim Coane in Managua

PRIVATE coffee farmers in Nicaragua are to receive foreign exchange incentives for the coming harvest, Mr Jaime Wheelock, the Minister of Agriculture, has announced.

The country's estimated 16,000 coffee growers are to be included in a dollar incentive scheme for the 1985-86 harvest, although precise details of the scheme have still to be released.

Incentives of up to \$11 per bag of coffee were introduced last year for cattle producers, to stem the flow of cattle smuggling across the border in search of better prices and to increase the number of cattle sold to the government-owned export slaughter houses.

Last month, the country's approximately 600 private cotton farmers were told that they were also to receive dollar incentives.

Private cotton farmers in Nicaragua are to receive foreign exchange incentives for the coming harvest, Mr Jaime Wheelock, the Minister of Agriculture, has announced.

Private cotton farmers in Nicaragua are to receive foreign exchange incentives for the coming harvest, Mr Jaime Wheelock, the Minister of Agriculture, has announced.

Private cotton farmers in Nicaragua are to receive foreign exchange incentives for the coming harvest, Mr Jaime Wheelock, the Minister of Agriculture, has announced.

Private cotton farmers in Nicaragua are to receive foreign exchange incentives for the coming harvest, Mr Jaime Wheelock, the Minister of Agriculture, has announced.

Private cotton farmers in Nicaragua are to receive foreign exchange incentives for the coming harvest, Mr Jaime Wheelock, the Minister of Agriculture, has announced.

Private cotton farmers in Nicaragua are to receive foreign exchange incentives for the coming harvest, Mr Jaime Wheelock, the Minister of Agriculture, has announced.

Private cotton farmers in Nicaragua are to receive foreign exchange incentives for the coming harvest, Mr Jaime Wheelock, the Minister of Agriculture, has announced.

Private cotton farmers in Nicaragua are to receive foreign exchange incentives for the coming harvest, Mr Jaime Wheelock, the Minister of Agriculture, has announced.

Private cotton farmers in Nicaragua are to receive foreign exchange incentives for the coming harvest, Mr Jaime Wheelock, the Minister of Agriculture, has announced.

Private cotton farmers in Nicaragua are to receive foreign exchange incentives for the coming harvest, Mr Jaime Wheelock, the Minister of Agriculture, has announced.

Private cotton farmers in Nicaragua are to receive foreign exchange incentives for the coming harvest, Mr Jaime Wheelock, the Minister of Agriculture, has announced.

THE CRITICS of international commodity agreements (ICAs) have been their doubts fuelled this week from an unexpected source—the UN Conference on Trade and Development (UNCTAD) under whose tutelage most of the existing agreements have been begun.

In a remarkably candid study of 10 agreements covering seven commodities the Unctad secretariat finds that they have had mixed success in stabilising prices in the short term and have done little or nothing to meet the longer term objectives of improving the export earnings and the competitive capacity of developing countries.

The study was prepared for a special session of Unctad's commodities committee which with the participation of top executives from most of the commodity organisations has been meeting in Geneva this week to assess the role of the ICAs.

Price stability. These agreements or arrangements are negotiated by governments or by organisations representing the governments, either producing and consuming countries. They are intended to impart some degree of stability to the prices and earnings potential of commodities.

Since the early 1930s more than 40 ICAs have been negotiated, 25 of them covering three commodities—tin, wheat, and sugar. Their objectives were formalised in 1976 in Unctad's Integrated Programme for Com-

modities (IPC). So far they have been limited essentially to trying to keep prices within given ranges over the short term. The instruments used have been mainly buffer stocks and export quotas.

The longer term aims of the IPC, such as checking the tendency for producers to over-invest when prices are high and overcoming the problems that arise when technical innovations or changes in customer preferences prompt a fall in demand, have scarcely been approached.

Of the seven commodities examined the Unctad study finds that in four—tin, wheat, rubber and coffee—agreements have been "relatively successful".

The cocoa and sugar agreements have collapsed, while olive oil is a special case, since the agreement includes a specific mechanism for stabilising prices apart from encouraging consumption and reducing production costs.

The tin agreements, generally regarded as being among the most effective, have succeeded "more in defending the floor price than in defending the ceiling price," the study finds.

The success of the wheat agreements is a matter of history now, dating from the 1950s. Since then the export subsidies of the European Community and the unpredictable requirements of the Soviet Union have dominated the market and the current pact has no provision for pricing.

The Rubber Agreement's success in defending the floor price is attributed to the large size of its buffer stock, to its binding financing rules and to the fact that the U.S. is an active member. At a meeting in Geneva last month, however, producers and consumers failed to agree a new price range.

The participation of the U.S. and the role played by a major producer, Brazil, are singled out as factors in the coffee agreement's success in stabilising prices.

The Ivory Coast, the main producer, has crippled the cocoa agreement, while the sugar agreements have been undermined by the absence of the U.S. and the EEC.

The study stresses the importance of setting realistic targets for the price range at the start of an agreement, the cocoa and coffee agreements have failed in this respect.

The failure of producers to co-ordinate policy has often been at the heart of the difficulties, the study points out. A greater use of advisers from the industry itself, particularly in mining, is also seen as vital when negotiating agreements.

A crucial problem, however, is the attitude of the U.S., whose scepticism towards ICAs was voiced again this week in the commodities committee when Ms Joan Plaisted, the U.S. representative, complained that the Unctad study did not address the proposition that long-term government intervention "carries with it the risk of complicating or exacerbating problems rather than resolving them."

An unresolved issue critical for the future of Unctad and of the ICAs is the role of the Fund for Commodities originally negotiated in 1980. The fund would have a capital of \$470m, most of which would go to buffer stocks, and it would have government-guaranteed borrowing capacity.

A further amount, \$255m, in voluntary contributions has been pledged to finance the longer term development initiatives of the ICAs, such as those embodied in the more recently negotiated tin and tropical timber agreements.

So far 87 countries contributing roughly half the capital have ratified the agreement establishing the fund. For it to become operational 90 ratifications representing two-thirds of the capital are required. This means in effect that either U.S. or Soviet Union ratification is needed. Moscow is uncommitted and the U.S. has shown no sign of ratifying.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there would be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that, but the commodity agreement is a long way from being a coincidence.

William Dullforce on efforts to stabilise world markets

## U.S. attitude crucial to commodity pacts

modities (IPC).

So far they have been limited essentially to trying to keep prices within given ranges over the short term. The instruments used have been mainly buffer stocks and export quotas.

The longer term aims of the IPC, such as checking the tendency for producers to over-invest when prices are high and overcoming the problems that arise when technical innovations or changes in customer preferences prompt a fall in demand, have scarcely been approached.

Of the seven commodities examined the Unctad study finds that in four—tin, wheat, rubber and coffee—agreements have been "relatively successful".

The cocoa and sugar agreements have collapsed, while olive oil is a special case, since the agreement includes a specific mechanism for stabilising prices apart from encouraging consumption and reducing production costs.

The tin agreements, generally regarded as being among the most effective, have succeeded "more in defending the floor price than in defending the ceiling price," the study finds.

The success of the wheat agreements is a matter of history now, dating from the 1950s. Since then the export subsidies of the European Community and the unpredictable requirements of the Soviet Union have dominated the market and the current pact has no provision for pricing.

The Rubber Agreement's success in defending the floor price is attributed to the large size of its buffer stock, to its binding financing rules and to the fact that the U.S. is an active member. At a meeting in Geneva last month, however, producers and consumers failed to agree a new price range.

The participation of the U.S. and the role played by a major producer, Brazil, are singled out as factors in the coffee agreement's success in stabilising prices.

The Ivory Coast, the main producer, has crippled the cocoa agreement, while the sugar agreements have been undermined by the absence of the U.S. and the EEC.

The study stresses the importance of setting realistic targets for the price range at the start of an agreement, the cocoa and coffee agreements have failed in this respect.

The failure of producers to co-ordinate policy has often been at the heart of the difficulties, the study points out. A greater use of advisers from the industry itself, particularly in mining, is also seen as vital when negotiating agreements.

A crucial problem, however, is the attitude of the U.S., whose scepticism towards ICAs was voiced again this week in the commodities committee when Ms Joan Plaisted, the U.S. representative, complained that the Unctad study did not address the proposition that long-term government intervention "carries with it the risk of complicating or exacerbating problems rather than resolving them."

An unresolved issue critical for the future of Unctad and of the ICAs is the role of the Fund for Commodities originally negotiated in 1980. The fund would have a capital of \$470m, most of which would go to buffer stocks, and it would have government-guaranteed borrowing capacity.

A further amount, \$255m, in voluntary contributions has been pledged to finance the longer term development initiatives of the ICAs, such as those embodied in the more recently negotiated tin and tropical timber agreements.

So far 87 countries contributing roughly half the capital have ratified the agreement establishing the fund. For it to become operational 90 ratifications representing two-thirds of the capital are required. This means in effect that either U.S. or Soviet Union ratification is needed. Moscow is uncommitted and the U.S. has shown no sign of ratifying.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there would be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that, but the commodity agreement is a long way from being a coincidence.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there would be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that, but the commodity agreement is a long way from being a coincidence.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there would be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that, but the commodity agreement is a long way from being a coincidence.

price is attributed to the large

size of its buffer stock, to its binding financing rules and to the fact that the U.S. is an active member. At a meeting in Geneva last month, however, producers and consumers failed to agree a new price range.

The participation of the U.S. and the role played by a major producer, Brazil, are singled out as factors in the coffee agreement's success in stabilising prices.

The Ivory Coast, the main producer, has crippled the cocoa agreement, while the sugar agreements have been undermined by the absence of the U.S. and the EEC.

The study stresses the importance of setting realistic targets for the price range at the start of an agreement, the cocoa and coffee agreements have failed in this respect.

The failure of producers to co-ordinate policy has often been at the heart of the difficulties, the study points out. A greater use of advisers from the industry itself, particularly in mining, is also seen as vital when negotiating agreements.

A crucial problem, however, is the attitude of the U.S., whose scepticism towards ICAs was voiced again this week in the commodities committee when Ms Joan Plaisted, the U.S. representative, complained that the Unctad study did not address the proposition that long-term government intervention "carries with it the risk of complicating or exacerbating problems rather than resolving them."

An unresolved issue critical for the future of Unctad and of the ICAs is the role of the Fund for Commodities originally negotiated in 1980. The fund would have a capital of \$470m, most of which would go to buffer stocks, and it would have government-guaranteed borrowing capacity.

A further amount, \$255m, in voluntary contributions has been pledged to finance the longer term development initiatives of the ICAs, such as those embodied in the more recently negotiated tin and tropical timber agreements.

So far 87 countries contributing roughly half the capital have ratified the agreement establishing the fund. For it to become operational 90 ratifications representing two-thirds of the capital are required. This means in effect that either U.S. or Soviet Union ratification is needed. Moscow is uncommitted and the U.S. has shown no sign of ratifying.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there would be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that, but the commodity agreement is a long way from being a coincidence.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there would be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that, but the commodity agreement is a long way from being a coincidence.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there would be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that, but the commodity agreement is a long way from being a coincidence.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there would be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that, but the commodity agreement is a long way from being a coincidence.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there would be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that, but the commodity agreement is a long way from being a coincidence.

the Ivory Coast, the main producer,

has crippled the cocoa agreement, while the sugar agreements have been undermined by the absence of the U.S. and the EEC.

The study stresses the importance of setting realistic targets for the price range at the start of an agreement, the cocoa and coffee agreements have failed in this respect.

The failure of producers to co-ordinate policy has often been at the heart of the difficulties, the study points out. A greater use of advisers from the industry itself, particularly in mining, is also seen as vital when negotiating agreements.

A crucial problem, however, is the attitude of the U.S., whose scepticism towards ICAs was voiced again this week in the commodities committee when Ms Joan Plaisted, the U.S. representative, complained that the Unctad study did not address the proposition that long-term government intervention "carries with it the risk of complicating or exacerbating problems rather than resolving them."

An unresolved issue critical for the future of Unctad and of the ICAs is the role of the Fund for Commodities originally negotiated in 1980. The fund would have a capital of \$470m, most of which would go to buffer stocks, and it would have government-guaranteed borrowing capacity.

A further amount, \$255m, in voluntary contributions has been pledged to finance the longer term development initiatives of the ICAs, such as those embodied in the more recently negotiated tin and tropical timber agreements.

So far 87 countries contributing roughly half the capital have ratified the agreement establishing the fund. For it to become operational 90 ratifications representing two-thirds of the capital are required. This means in effect that either U.S. or Soviet Union ratification is needed. Moscow is uncommitted and the U.S. has shown no sign of ratifying.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there would be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that, but the commodity agreement is a long way from being a coincidence.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there would be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that, but the commodity agreement is a long way from being a coincidence.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there would be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that, but the commodity agreement is a long way from being a coincidence.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there would be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that, but the commodity agreement is a long way from being a coincidence.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there would be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that, but the commodity agreement is a long way from being a coincidence.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

been pledged to finance the longer

term development initiatives of the ICAs, such as those embodied in the more recently negotiated tin and tropical timber agreements.

So far 87 countries contributing roughly half the capital have ratified the agreement establishing the fund. For it to become operational 90 ratifications representing two-thirds of the capital are required. This means in effect that either U.S. or Soviet Union ratification is needed. Moscow is uncommitted and the U.S. has shown no sign of ratifying.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there would be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that, but the commodity agreement is a long way from being a coincidence.

Unctad at present is in a chicken and egg situation. Most notably the U.S. has doubts about the organisation and its capacity to promote effective ICAs. The Unctad secretariat believes that to be effective, the ICAs need firmer commitments from governments



# CURRENCIES, MONEY and CAPITAL MARKETS

## FOREIGN EXCHANGES

### Sterling falls as dollar rises

Sterling lost 2 cents against the dollar and also declined against other major currencies, but foreign exchange dealing was generally quiet. The major impact of the retreat by the pound was to back hopes of a cut in UK base rates, but to some extent sterling's fall has been brought about by editorial speculation that reasonable mid-May money supply figures would produce lower interest rates. The figures are now widely regarded as not good enough, particularly against a background of the weaker pound.

Oil prices are the other major factor, but a fall in North Sea prices was already largely discounted and the market showed little reaction. News of the British National Oil Corporation intends to cut \$1.25 a barrel from its Brent price for June to \$15.50 from \$16.75, and to cut \$1.25 from its Brent price for July to \$14.25 from \$15.50, was also largely discounted.

The pound's exchange rate index, as calculated by the Bank of England fell 0.9 to 75.8, the lowest level of the day. It opened at 76.2, and remained between 75.1 and 76.3 until the final figure.

Without any great conviction. In the absence of any new facts, tomorrow's U.S. unemployment figures are regarded as giving another guide to economic growth. Although the U.S. currency showed resistance above a technical support level of around DM 3.04 it also failed to break through another important resistance level of DM 3.0750. Commercial buying at the lower levels helped support the dollar, but dealers are reluctant to take out new positions ahead of tonight's U.S. money supply figures, which may herald another cut in the Federal Reserve discount rate, while the market is also waiting the flash estimate of second quarter gross

national product on June 20. The dollar advanced to DM 3.0720 from DM 3.0540; Sfr 2.5830 from Sfr 2.5500; and ¥249.40 from ¥249.10. On Bank of England figures the dollar index rose to 145.5 from 144.6.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 2.9780. May average 3.1024. Exchange rate index 151.9 against 150.8 six months ago.

bank did not intervene when the dollar was fixed at DM 3.0671 compared with DM 3.0432 previously. News of a rise in German unemployment to 2.33m from 2.32m went unnoticed by the market, and a rise of 2.5 per cent in German industrial orders in April also had little impact. As expected the Bundesbank council meeting left the discount and Lombard rates unchanged, but hopes were raised of an easing in interest rates by the minimum level of only 8.5 per cent set for a securities repurchase agreement with the money market.

STERLING INDEX		
	June 5	Previous
8.30 am	75.2	75.9
9.00 am	75.2	75.9
10.00 am	75.2	75.9
11.00 am	75.2	75.9
Noon	75.1	75.9
1.00 pm	75.1	75.9
2.00 pm	75.2	75.9
3.00 pm	75.1	75.9
4.00 pm	75.5	75.7

£ IN NEW YORK		
	June 5	Previous
6 spot	83.855-1.870	83.855-1.860
1 month	83.855-1.870	83.855-1.860
3 months	83.855-1.870	83.855-1.860
6 months	83.855-1.870	83.855-1.860
12 months	83.855-1.870	83.855-1.860

## Below best

Dollar denominated interest rate contracts finished below their peaks on the London International Financial Futures Exchange yesterday, but dealers reported the mood remains very bullish amid expectations of a discount in the Federal Reserve's money supply figures are a focal point for an anticipated move by the U.S. central bank, but traders seem prepared to wait until the flash estimate of second quarter GNP on June 20, when it is forecast the rate of growth will confirm that the level of

growth in the first half of 1985 has been well below earlier expectations.

September Eurodollars opened at \$2.89 and the move strongly above \$2.00 was regarded as an important barrier for the market. After touching a peak of \$2.23 the price fell back on liquidation of long positions however, and closed at \$2.17 compared with \$1.92 previously.

LONDON		
	Close	High
June 5	32.45	32.52
Sept	32.17	32.23
Dec	31.72	31.79
March	31.34	31.34
June	30.95	30.95

CHICAGO		
	Close	High
June 5	87.58	87.65
Sept	88.45	88.52
Dec	88.82	88.89
March	89.01	89.08
June	89.18	89.25

## EMS EUROPEAN CURRENCY UNIT RATES

	Unit	Rate	% change
Belgium franc	40.3398	40.3398	+0.02
Dutch guilder	2.3636	2.3636	+0.02
French franc	6.5596	6.5596	+0.02
Italian lire	1.936	1.936	+0.02
Spanish peseta	166.639	166.639	+0.02
Portuguese escudo	200.482	200.482	+0.02
Irish punt	7.8756	7.8756	+0.02
Greek drachma	340.750	340.750	+0.02
Yugoslav dinar	13.7603	13.7603	+0.02
Czech koruna	166.639	166.639	+0.02
Slovak koruna	166.639	166.639	+0.02
Hungarian forint	200.482	200.482	+0.02
Romanian leu	166.639	166.639	+0.02
Bulgarian lev	166.639	166.639	+0.02

Changes are for £100, therefore positive change denotes a weaker currency. Adjustment calculated by Financial Times.

## POUND SPOT—FORWARD AGAINST POUND

	Spot	One month	Three months	Six months	Twelve months
U.S.	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Canada	1.2587-1.2600	1.2587-1.2600	1.2587-1.2600	1.2587-1.2600	1.2587-1.2600
Netherlands	4.3387-4.3400	4.3387-4.3400	4.3387-4.3400	4.3387-4.3400	4.3387-4.3400
Denmark	12.5587-12.5600	12.5587-12.5600	12.5587-12.5600	12.5587-12.5600	12.5587-12.5600
Ireland	1.2587-1.2600	1.2587-1.2600	1.2587-1.2600	1.2587-1.2600	1.2587-1.2600
Portugal	200.482	200.482	200.482	200.482	200.482
Greece	340.750	340.750	340.750	340.750	340.750
Spain	166.639	166.639	166.639	166.639	166.639
Norway	11.5587-11.5600	11.5587-11.5600	11.5587-11.5600	11.5587-11.5600	11.5587-11.5600
France	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Sweden	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Japan	115.5587-115.5600	115.5587-115.5600	115.5587-115.5600	115.5587-115.5600	115.5587-115.5600
Austria	13.7603	13.7603	13.7603	13.7603	13.7603
Belgium	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Switzerland	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Italy	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Yugoslavia	13.7603	13.7603	13.7603	13.7603	13.7603
Czech Republic	166.639	166.639	166.639	166.639	166.639
Slovak Republic	166.639	166.639	166.639	166.639	166.639
Hungary	200.482	200.482	200.482	200.482	200.482
Romania	166.639	166.639	166.639	166.639	166.639
Bulgaria	166.639	166.639	166.639	166.639	166.639

## OTHER CURRENCIES

	June 5	June 4	June 3
Argentina peso	780.20-781.75	780.20-781.75	780.20-781.75
Australia dollar	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Brazil cruzeiro	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Canada dollar	1.2587-1.2600	1.2587-1.2600	1.2587-1.2600
Denmark krone	12.5587-12.5600	12.5587-12.5600	12.5587-12.5600
France franc	6.5596	6.5596	6.5596
Germany mark	1.936	1.936	1.936
Greece drachma	340.750	340.750	340.750
India rupee	15.5587-15.5600	15.5587-15.5600	15.5587-15.5600
Indonesia rupiah	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Iran rial	115.5587-115.5600	115.5587-115.5600	115.5587-115.5600
Israel sheqel	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Italy lira	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Japan yen	115.5587-115.5600	115.5587-115.5600	115.5587-115.5600
Malaysia dollar	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
New Zealand dollar	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Norway krone	11.5587-11.5600	11.5587-11.5600	11.5587-11.5600
Portugal escudo	200.482	200.482	200.482
Spain peseta	166.639	166.639	166.639
Sweden krona	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Switzerland franc	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Taiwan dollar	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Thailand baht	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
UK sterling	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
USA dollar	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Yugoslavia dinar	13.7603	13.7603	13.7603
Czech koruna	166.639	166.639	166.639
Slovak koruna	166.639	166.639	166.639
Hungary forint	200.482	200.482	200.482
Romania leu	166.639	166.639	166.639
Bulgaria lev	166.639	166.639	166.639

## EXCHANGE CROSS RATES

	June 5	June 4	June 3
Pound sterling	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
U.S. dollar	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Deutsche mark	1.936	1.936	1.936
Japanese yen	115.5587-115.5600	115.5587-115.5600	115.5587-115.5600
French franc	6.5596	6.5596	6.5596
Swiss franc	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Dutch guilder	2.3636	2.3636	2.3636
Italian lira	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600
Canadian dollar	1.2587-1.2600	1.2587-1.2600	1.2587-1.2600
Belgian franc	1.5587-1.5600	1.5587-1.5600	1.5587-1.5600

## EURO-CURRENCY INTEREST RATES

	June 5	June 4	June 3
Short-term	12 1/2-13 1/2	12 1/2-13 1/2	12 1/2-13 1/2
Three months	12 1/2-13 1/2	12 1/2-13 1/2	12 1/2-13 1/2
Six months	12 1/2-13 1/2	12 1/2-13 1/2	12 1/2-13 1/2
One year	12 1/2-13 1/2	12 1/2-13 1/2	12 1/2-13 1/2

Asian \$ (closing rates in Singapore): Short-term 7 1/2-7 3/4 per cent; seven days 7 1/2-7 3/4 per cent; one month 7 1/2-7 3/4 per cent; three months 7 1/2-7 3/4 per cent; six months 7 1/2-7 3/4 per cent; one year 7 1/2-7 3/4 per cent. Long-term Eurodollars: two years 8 1/2-9 1/4 per cent; three years 8 1/2-9 1/4 per cent; four years 10-10 1/4 per cent; five years 10-10 1/4 per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

## MONEY MARKETS

### Hopes fade of lower base rates

Dealers suggested that a cut in clearing bank base rates seemed as far away as before the latest money supply figures. Bankers' hopes for a cut in the clearing bank base rates continued to lose ground on the foreign exchange yesterday. The pound has lost about 4 cents from its high earlier this week and has also weakened against

thoughts of lower interest rates meant the Bank of England found only \$5m bills to buy outright, through £2m bank bills in band 1 (up to 14 days' maturity) at 12 1/2 per cent; £2m bank bills in band 2 (15-35 days) at 12 1/2 per cent; and £2m bank bills in band 3 (36-65 days) at 12 1/2 per cent.

Although houses probably held back at first the confirmation of existing official rates

encouraged selling of bills to the authorities later in the morning.

Further help of £240m was given before lunch, including £220m outright purchases of bills, by way of £50m bank bills in band 1 at 12 1/2 per cent; £20m bank bills in band 2 at 12 1/2 per cent; £40m bank bills in band 3 at 12 1/2 per cent; and £20m bank bills in band 4 (66-91 days) at 12 per cent. Another £260m bills were bought for resale to the market in equal amounts on July 1 and 2 at 12 1/2 per cent.

In the afternoon the authorities bought £230m bills outright, through £1m Treasury bills in band 1 at 12 1/2 per cent, and £220m bank bills in band 2 at 12 1/2 per cent. Late assistance of around £30m was also provided.

## UK clearing banks base lending rates

12 1/2-13 1/2 per cent since April 19

## MONEY RATES

	June 5	June 4	June 3
Overnight	8.50-8.60	8.50-8.60	8.50-8.60
One month	10.00-10.10	10.00-10.10	10.00-10.10
Three months	10.00-10.10	10.00-10.10	10.00-10.10
Six months	10.00-10.10	10.00-10.10	10.00-10.10
One year	10.00-10.10	10.00-10.10	10.00-10.10

## LONDON MONEY RATES

	June 5	June 4	June 3
Overnight	10.00-10.10	10.00-10.10	10.00-10.10
One month	10.00-10.10	10.00-10.10	10.00-10.10
Three months	10.00-10.10	10.00-10.10	10.00-10.10
Six months	10.00-10.10	10.00-10.10	10.00-10.10
One year	10.00-10.10	10.00-10.10	10.00-10.10

## Discount Houses Deposit and Bill Rates

	June 5	June 4	June 3
Overnight	10.00-10.10	10.00-10.10	10.00-10.10
One month	10.00-10.10	10.00-10.10	10.00-10.10
Three months	10.00-10.10	10.00-10.10	10.00-10.10
Six months	10.00-10.10	10.00-10.10	10.00-10.10
One year	10.00-10.10	10.00-10.10	10.00-10.10

## MONEY RATES

	June 5	June 4	June 3
Overnight	8.50-8.60	8.50-8.60	8.50-8.60
One month	10.00-10.10	10.00-10.10	10.00-10.10
Three months	10.00-10.10	10.00-10.10	10.00-10.10
Six months	10.00-10.10	10.00-10.10	10.00-10.10
One year	10.00-10.10	10.00-10.10	10.00-10.10

## FT LONDON INTERBANK FIXING

	June 5	June 4	June 3
Overnight	10.00-10.10	10.00-10.10	10.00-10.10
One month	10.00-10.10	10.00-10.10	10.00-10.10
Three months	10.00-10.10	10.00-10.10	10.00-10.10
Six months	10.00-10.10	10.00-10.10	10.00-10.10
One year	10.00-10.10	10.00-10.10	10.00-10.10

The fixing rates are the arithmetic means, rounded to the nearest sixteenth, of the bid and offered rates for \$100 quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Paribas de Paris and Morgan Guaranty Trust.

## DISCOUNT HOUSES DEPOSIT AND BILL RATES

	June 5	June 4	June 3
Overnight	10.00-10.10	10.00-10.10	10.00-10.10
One month	10.00-10.10	10.00-10.10	10.00-10.10
Three months	10.00-10.10	10.00-10.10	10.00-10



